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Further on SNC Meetings

Meetings Extended by Extra Day

BK2808105291 Phnom Penh SPK in French 1125 GMT 28 Aug 91

[Text] Phnom Penh 28 Aug (SPK)—The meeting of the Cambodian Supreme National Council (SNC) will be extended by one more day, said its chairman, Prince Sihanouk, when he was announcing on Tuesday the agreements concluded at the end of the second day of the SNC meeting in Phatthaya (Thailand), reports AFP.

The work of the SNC—which comprises the four Cambodian factions—first scheduled to end on Wednesaday would be extended by one day, announced the prince, specifying that that was necessary because of the divergences of views that persist among the factions concerning certain aspects of the peace plan.

The main disagreement involves the organization of the elections and the demand—made by Phnom Penh and aimed at the Khmer Rouge—to exclude from the elections any movement that would not condemn the "universally condemned [word indistinct] of a recent past."

On the other hand, another agreement that was reached concerns the five key ministries (foreign affairs, defense, interior, information, and finances), which will remain under the authority of the Phnom Penh Government but will be placed under the control of the UN Transitional Authority for Cambodia (UNTAC), added the prince.

For his part, Phnom Penh's Prime Minister Hun Sen declared that "what was important in this meeting was that all SNC members showed their determination to solve problems."

"We have much hope now that the two major problems (the military arrangements and the relations between UNTAC and the SNC) have already been settled," added Mr. Hun Sen.

Continuing Leadership for Pol Pot, Proteges Seen

BK2808142091 Hong Kong AFP in English 1350 GMT 28 Aug 91

[By Charles-Antoine de Nerciat]

[Excerpts] Phatthaya, Thailand, Aug 28 (AFP)—[passage omitted] Prince Norodom Sihanouk, the head of Cambodia's Supreme National Council (SNC), told reporters, "I know that Mr. Pol Pot, Mr. Ieng Sary and Mr. Ta Mok will not participate in the elections." [passage omitted]

But, saying that the three planned to "encourage" their group in the elections, he strongly suggested that they had no intention of withdrawing from Cambodia's political landscape.

Ieng Sary and Ta Mok were among chief lieutenants of Pol Pot when the Khmer Rouge group plunged Cambodia into a reign of terror between 1975 and 1979 in a bid to transform the Southeast Asian nation of eight million into a primitive agrarian and egalitarian country.

Pol Pot, a 63-year-old French-trained revolutionary leader, is widely believed to be the overall chief of the Khmer Rouge, now the strongest guerrilla faction opposed to Cambodia's Vietnam-installed Government, despite the fact that he has officially resigned from all leadership posts.

His headquarters, codenamed "Zone 87," are located in Thailand's southeastern Trat Province on Cambodia's border, and he was reported to have taken a direct part earlier this year in peace negotiations to end Cambodia's 13-year-old war.

According to intelligence sources, Pol Pot was consulted by official Khmer Rouge SNC representatives Khieu Samphan and Son Sen during meetings of the body in June in this Thai beach resort where the warring factions agreed on a permanent ceasefire.

He is also believed to have had consultations with top Thai military leaders during those talks, and there have been persistent rumours that he is also keeping in close touch with the Khmer Rouge team involved in the present talks.

Asked what Pol Pot, Ieng Sary and Ta Mok would be doing during the electoral campaign, Prince Sihanouk said, "they will encourage their party and its candidates, who will not be Ta Mok, not be Ieng Sary, not be Pol Pot."

The 68-year-old former monarch, who was put under house arrest when the Khmer Rouge ruled Cambodia and who lost 14 members of his family to Khmer Rouge brutality, did not indicate where he had received his information on Pol Pot.

"He has taken his decision himself as a free Cambodian citizen. Anyone is free to take this or that measure for himself," Prince Sihanouk said.

The Khmer Rouge was toppled in January 1979 after Vietnam invaded Cambodia and installed a government in Phnom Penh. Ieng Sary, 61, was the chief diplomat of the Khmer Rouge leadership when it was in power. He now heads the group's guerrilla units in northwestern Cambodia, along with Son Sen and Khieu Samphan.

Ta Mok, 64, who lost a leg in 1981 when he stepped on a mine, commands Khmer Rouge troops in northern and northwestern Cambodia.

His headquarters are located a few kilometers (miles) to the south of the Thai border and some 60 kilometers (35 miles) north of the famed ancient temples of Angkor.

A tribunal of the Phnom Penh Government sentenced Pol Pot and Ieng Sary to death in absentia in 1979 for crimes of genocide.

They and Ta Mok are listed among senior members of the Khmer Rouge faction that Phnom Penh has said must be barred from having any political role in Cambodia.

Sources close to the peace talks have said the four warring Cambodian factions—Phnom Penh, the Khmer Rouge and two smaller non-communist groups allied to the deposed Marxist rulers—were agreed that the National Assembly to be formed within the framework of a peace settlement would have 125 seats.

Clauses in a UN peace plan to end the war provide for a proportional representation electoral system but Phnom Penh has demanded single constituency balloting for the vote, which is to be monitored by a large-scale military and civilian force of the world organisation.

SNC and Perm Five Hold Parallel Meetings

BK2908070291 Hong Kong AFP in English 0601 GMT 29 Aug 91

[Text] Phatthaya, Thailand, Aug 29 (AFP)—United Nations Security Council permanent members and Cambodia's Supreme National Council (SNC) went into parallel meetings here Thursday to discuss peace in Cambodia.

Diplomats said representatives of the five permanent members of the Security Council—the United States, China, France, the Soviet Union and Britain—were to assess progress by Cambodia's warring factions in negotiations to end their 13-year-old war.

The two-day meetings are being held in this Thai beach resort as the rival factions, Phnom Penh's Vietnam-installed Government, the Beijing-backed Khmer Rouge and its two smaller non-communist allies in an anti-government guerrilla coalition, were engaged in continued hard bargaining over details of a peace accord.

The Perm Five have drafted a Cambodia peace plan, but the blueprint has been substantially altered by compromise arrangements reached by the factions.

The United States has expressed cautious approval over the deals on demobilisation and powersharing but both Washington and London are likely to question some of the implications of the agreements.

The head of the SNC, former Cambodian king Prince Norodom Sihanouk, said the United States is also likely to insist on retaining clauses in the U.N. plan for introducing a proportional representation system in Cambodia's U.N.-supervised elections, while Phnom Penh Premier Hun Sen wants a single ballot system.

The single ballot system is "the tradition of elections in Cambodia," Hun Sen said, adding that "the population needs to know their representatives, their MPs [Members of Parliament] in each constituency" because "the Khmer people are not only nationalists but they are also regionalists."

"It will be very difficult to achieve a compromise on the issue," Prince Sihanouk said, adding that if no agreement was reached, the SNC would turn to the Permanent Five to resolve the issue.

The elections issue is likely to prove the most difficult to settle, according to diplomats. A solution is not expected in the talks here and it is expected to be tackled again in further SNC discussions scheduled to take place next month in New York at the time of the U.N. General Assembly, they said.

The rival groups are discussing the issue of human rights abuses during the Khmer Rouge's rule between 1975 and 1979 when hundreds of thousands of people were killed.

Phnom Penh has called for the peace treaty to include a mention of the U.N. Convention on Genocide, a move that the Khmer Rouge refuses to endorse.

Also on the table is the demobilisation of Phnom Penh's elite A3 troops, which is the only remaining military issue to be resolved following the agreement Tuesday to demobilise 70 percent of the forces of each faction.

The Khmer Rouge, which wants to see the A3 demobilised, has proposed that a force be formed under the SNC from the police groups from each faction.

These ideas have been rejected by Hun Sen, who denied the existence of the A3 force and said that an SNC police force would mean treating the body like a legal government. Disarmed police would also face a threat from bandits, he said.

The SNC and the U.N. Permanent Five are to meet Friday for joint talks to sum up progress.

Agreement Reached on Human Rights Accord

BK2908073691 Hong Kong AFP in English 0707 GMT 29 Aug 91

[Text] Phatthaya, Aug 29 (AFP)—Cambodia's Supreme National Council (SNC) has reached agreement on the issue of human rights abuses, Prince Norodom Sihanouk said here Thursday.

The accord came after the Phnom Penh Government withdrew its amendment to the U.N. peace plan which included mention of the U.N. Convention on Genocide.

These amendments were aimed at the Khmer Rouge, which is accused of killing hundreds of thousands of people during their four-year rule ending in January 1979 with the invasion of Cambodia by Vietnamese troops.

Khmer Rouge, which is the principal resistance group, has refused any mention of the genocide, which they have denied.

Diplomats Warn of Funding Difficulties

BK2908091891 Hong Kong AFP in English 0819 GMT 29 Aug 91

[By Charles-Antoine de Nerciat]

[Text] Phatthaya, Thailand, Aug 29 (AFP)—United Nations intervention combined with the charisma of Prince Norodom Sihanouk will guarantee against a communist takeover in Cambodia in a deal between Beijing, Hanoi and their Cambodian allies, diplomats said. But the diplomats, here to monitor negotiations aimed at ending the 13-year-old war in the Southeast Asian country, warned that funding may be hard to raise for the U.N. peace mission.

"This is going to involve thousands of troops and civilian personnel in the biggest operation ever undertaken by the U.N., and that at a time when the U.N. is strapped," one diplomat said.

"Cambodia's peace bill is going to be enormous, and it's not going to be as easy as it would have been before with huge aid bills for Western countries going to Eastern Europe," he said.

"There are lingering political hurdles to overcome as well," said the diplomat, who requested anonymity.

The normalisation between Beijing and Hanoi has increased fears of a "red solution" to the Cambodian war pitting a guerrilla coalition dominated by the Beijing-backed Khmer Rouge against the rival communist government installed by Vietnam.

The United States, where bitter memories of the Vietnam War are still alive, views with suspicion the compromise agreement just concluded by the factions on a 70 percent demobilisation of their forces, diplomats said.

A U.N. peace plan, put together by the Security Council's five permanent members—the United States, China, France, Britain and the Soviet Union—provided for a total dismantling of armed forces.

U.S. Assistant Secretary of State Richard Solomon, here to attend parallel meetings of the SNC and the five Security Council permanent members, has called for "a credible U.N. presence" in Cambodia to "provide for security in the country for all the Cambodian people, and provide conditions for free and fair elections."

Diplomats predicted the United States would eventually accept partial troop cuts but would insist on "a residual presence" of the military component of the U.N. Transitional Authority for Cambodia (UNTAC) after elections, now tentatively scheduled for the end of 1992.

Critics of partial demobilisation also claim it would cost significantly more than complete dismantling.

Military arrangements are further complicated by disputes over which units should be included in the accepted demobilisation program as well as uncertainty over the strength of the various forces.

Phnom Penh has opposed a Khmer Rouge demand that forces in special Interior Ministry units known as "A-3" be taken into account, saying demobilisation should be restricted to its Army of an estimated 55,000 regular troops and more than 100,000 provincial soldiers.

The Khmer Rouge, Cambodia's former ruling group, claims more than 30,000 troops but some analysts estimate it has about 20,000 and others put the figure at around 13,000.

Its two non-communist allies are claimed to boost numbers to 38,000—20,000 in a faction loyal to Prince Sihanouk and some 18,000 belonging to the Khmer People's National Liberation Front (KPNLF). But analysts have said Sihanoukist troops have dwindled to an estimated 5,000 and the KPNLF to no more than 4,000 men.

Whatever the outcome of negotiations on the last issues to be settled at the talks, the top official of the U.N. on Cambodia, Rafeeuddin Ahmed, has said "satisfactory" funding will be forthcoming. Japan has already pledged a contribution deemed by diplomats from Tokyo to be "quite large."

Diplomats also here stressed the impact of Prince Sihanouk's impending return in November, after more than 20 years of exile or internment, as a major element of Cambodia's emerging political landscape.

"Sihanouk's return is going to give Cambodia an electric jolt," one diplomat said.

By most accounts, the 68-year-old prince is the most respected leader in Cambodia and senior Phnom Penh officials predict privately that he will ahead in elections with a score of over 40 per cent.

Diplomats said his international prestige and his political skills would steer Cambodia away from a "red solution."

Talks Bog Down on Troop Definitions

BK2908011591 Bangkok THE NATION in English 29 Aug 91 pp A1, A2

[By Khunlachada Chaiphiphat and Yindi Loetcharoenchok]

[Text] Phatthaya—The warring Cambodian factions yesterday failed to break an impasse over the specifics of a demobilization agreement for their forces and sections of a peace settlement dealing.

One of the most problematic points remained the Phnom Penh Goverment's "A-3" forces, with a wide gap between Phnom Penh and the resistance over whether

the special forces should come under the 70 per cent demobilization agreement reached by the factions on Tuesday.

The Supreme National Council (SNC), at the third day of peace talks in this resort town, however agreed to allow a multi-party system in Cambodia in preparation for upcoming general elections.

SNC President Prince Norodom Sihanouk said after the evening session of talks yesterday that Phnom Penh had refused to disband the A-3 security forces and remained silent on the Khmer Rouge's alternate proposal of setting up a new national police.

The SNC, which comprises representatives from all four factions, agreed on Tuesday to disband 70 per cent of the factions' forces, but according to a document released by the Khmer Rouge on Monday, A-3 police could be equipped with heavy arms and mobilized to support the Army. The guerrilla group claimed the force was responsible for counter-insurgency as well as keeping law and order.

Rafeeudin Ahmed, special envoy on Camboda of the UN secretary general, was asked by the SNC to define to what armed forces would be covered by the demobilization agreement.

Sihanouk said Khmer Rouge leader Khieu Samphan urged Phnom Penh to dissolve the A-3 unit and proposed setting up a SNC national poolice that would be charged with overseeing the entire country.

He said the guerrilla group put forward another proposal to replace the first one if it was rejected, calling for each faction to set up unarmed police forces.

However, the prince said the SNC eventually had decided to ask Ahmed to invite UN Gen Timothy Dubuama, who is due to arrive in Bangkok today from an observer trip to Cambodia, to judge whether the A-3 forces should be included in the armed forces that would come under Tuesday's agreement.

However, Phnom Penh Defence Minister Tie Banh yesterday categorically rejected any attempt to have UN verification of the A-3 forces, which he said was created during the "turbulent" period of 1989. He did not elaborate.

On the question of human rights, Sihanouk said that Phnom Penh had dropped its insistence that the phrase "universally-condemned policy and practices"—a reference to the genocide practised during the Khmer reign, however, Phnom Penh Premier Hun Sen was still insisting that a clause on the UN Convention on Human Rights and Genocide be added to the human rights section of the draft plan, drawn up by the five permanent members of the UN Security council last year, the prince said.

Sihanouk quoted Hun Sen as telling Khieu that the added sentence was simply an element to "prevent people from accidents of the past."

But Khieu reportedly responded that guarantees against past policies were already written into the peace plan and there was no need to add anything.

"So there was a deadlock" the prince said.

Sihanouk also said the gap between Phnom Penh and the resistance was still wide on the question of an electroral system. The resistance prefers a system of propertional representation called for in the UN peace plan but Phnom Penh demands a single ballot consituency system.

Sihanouk said if there were no consensus among the SNC on this matter he might have to leave the final decision with the Permanent Five, which would have to consider which systm was more consistent with the peace document.

"If there is no consensus, the last word will have to belong to the Permanent Five," he said.

The prince said he did not expect that the remaining difficulties could be settled today, when the SNC meeting concludes.

USSR Ambassador on Talks, Peace Plan

BK2908015391 Bangkok BANGKOK POST in English 29 Aug 91 p 5

[Text] The five permanent members of the United Nations Security Council should respect a peace plan compromise forged by the Cambodians because the situation has changed since the UN plan was drafted, according to Soviet Ambassador to Phnom Penh Yuriy Myakhotnykh.

The ambassador said in Bangkok yesterday that he will report proceedings of the Cambodian Supreme National Council's meeting in Phatthaya to Soviet delegation chief Deputy Foreign Minister Igor Rogachev when he arrives.

"We must not neglect the people's opinion but must consider the dictates of the situation and reality.

"Since last year, there is a new situation. We (the permanent five) should be amenable (to change)," the ambassador told the BANGKOK POST yesterday before the arrival of the Permanent Five's delegation leaders.

"We can't deny the new situation and must introduce a text (permanent five peace plan) which reflects the new reality. We must respect their (the four Cambodian factions) opinions.

We are foreigners. The Cambodians know better how to build their house because they are going to live there and we must have respect for their compromise," he said.

Despite developments in the Soviet Union, the ambassador said he does not expect much change in Soviet foreign policy.

"Recent Soviet foreign policies have been formulated and of course are supported by the democrats," he said, adding the policies are much criticised by the conservatives.

"But the democrats are now in power and they will continue on the same line.

"Our position has always been that we want peace and national reconciliation in Cambodia based on a balance of interests among all Cambodian factions.

"Cambodians have the say and their interests must be taken into consideration and all (foreign) countries interested in the issue should also take into consideration the interests of the Cambodian factions.

"I am happy that the spirit of compromise now prevails," the ambassador said.

"I received yersterday the text of Hun Sen's proposed amendments, like those of others, and there are many things which are reasonable.

"The government (Phnom Penh) and the Cambodian people are wary of Democratic Kampuchea. The government especially wants to avoid the danger from the Khmer Rouge during the transitional period and after elections. That's one issue, the second is sovereignty."

The ambassador said the interests of some countries in the international community are allied with the conflict among the four factions. But there is a new reality.

"The text of the Permanent Five (peace plan) was written in the conviction that the Cambodians could not reach an agreement among themselves and we have to help them. But now all sides realise that there is no military solution to the conflict, only a political solution which requires compromise. Now we see they have begun to work in a new atmosphere.

"We hope the Cambodians will be able to agree. It's up to them, especially internal problems such as elections and a constitution. They have their own customs."

The ambassador said the proposed role of the United Nations Transitory Authority in Cambodia (UNTAC) will be bigger than in other trouble spots such as Namibia. The UN will control elections, key ministries and the list of candidates eligible to stand.

"Nowhere else in the world has the UN played such a big role, not only in controlling and monitoring but also in organising the electoral laws and the code of conduct. But Cambodians think they can do it better—that's nothing strange.

"Our position has been that as a superpower, when there is a conflict, we have the responsibility to stop the conflict and, when the conflict begins to ease, we must not impose."

Mr Myakhotnykh cited an example of four boys fighting in a room and an uncle intervening to stop them fighting. But after the boys leave the room, they fight again.

"The uncle must help the boys learn to live together during this transitionary period of rapprochement. After the solution, the problem should not recur.

"If the Cambodians through the SNC want a bigger role, very good. The SNC with the assistance of the international community through the UN must learn to live together after 20 years of fighting. The UN must facilitate."

Asked about the position of the other Permanent Five members, the ambassador said he could not speak for others but now the Cambodians are beginning to agree "we must help."

The Cambodians have been able to settle the two most difficult problems of military demobilisation and the relationship between the SNC and UNTAC, he said.

"I think they will be able to compromise. The Cambodian conflict has a long history and now it is ripe for a solution."

No-one wants to continue the problem, not the US, not France, not Thailand, especially after rapproachement between China and Vietnam.

"I expect the accord will be signed this year or at the beginning of next year. France says in October—good," the ambassador said.

"If today or tomorrow the Cambodians compromise on the majority of the amendments, the door will be open for the coordinating committee and the Paris International Conference on Cambodia will be the final stage."

He said a meeting is expected between the Cambodian delegates and the foreign ministers of the Permanent Five during the upcoming UN General Assembly.

Agreements, Disagreements Among Factions

BK2908012991 Bangkok BANGKOK POST in English 29 Aug 91 p 5

[Text] Political parties contesting the upcoming election must have at least 5,000 members, the Cambodian Supreme National Council [SNC] yesterday agreed, Prince Norodom Sihanouk said yesterday.

The SNC also agreed to give 18-year-olds the right to vote but was still divided over what type of election system to adopt—proportional representation under the United Nations' draft peace agreement or Phnom Penh's proposed amendment for single constituencies.

"The SNC by consensus is supporting for Cambodia a system of liberal democracy, Western style and multi-party," the prince said.

Prince Sihanouk said notorious Khmer Rouge leader Pol Pot had decided not to run in the election.

"As a Cambodian citizen he is free to decide," the prince said.

Asked if Pol Pot could stand if he changed his mind, the prince said: "Nobody has declared an objection but you should ask Hun Sen. I am neutral."

The UN secretary-general's special representative, Rafeeudin Ahmed, said discussions on the electoral system focused mainly on broad issues of principle and did not go into details.

Earlier yesterday, Phnom Penh reversed its decision to accept the complete UN draft agreement on elections by calling for a number of amendments.

Phnom Penh wants the new Cambodian assembly to comprise 125 members and for a new constitution to be adopted and a new government formed one month after the election.

The UN draft does not specify the number of members in the assembly, but states that the new constitution and government be formed three months "from the date of the election."

The draft said the election would be held on a "nation-wide basis in accordance with a system of proportional representation on the basis of lists of candidates put forward by political parties."

Phnom Penh wants the system changed to a "single ballot constituencies poll on a majority basis."

The UN draft opens the election to all Cambodians, stating: "All Cambodians, including those who at the time of the signature of this agreement are Cambodian refugees and displaced persons, will have the same rights, freedoms and opportunities to take part in the electoral process."

Phnom Penh wants to add that refugees and displaced persons "who have been repatriated within the framework of this agreement and who have been duly registered as voters" will have the same rights, freedoms and opportunities to take part in the electoral process.

It also wants to include: "Cambodians who have not been repatriated within the framework of this agreement could participate in the elections on the condition that they have been living in Cambodia at least one year before the elections or before the beginning of the electoral campaign."

The UN draft allows Cambodians over 18 years to vote, but Phnom Penh would only allow 18-year-olds to vote if they fulfill the above requirements, excepting those who are "mentally handicapped, those whose civil rights have been suspended by court order and those who have acquired the citizenship of a foreign country".

The UN draft states: "Political parties may be formed by any group of registered voters. Party platforms shall be consistent with the principles and objectives of the agreement on a comprehensive political settlement."

Phnom Penh wants this deleted and the following inserted: "Political parties represented in the SNC which have declared their opposition to the universally condemned policies and practices of the recent past may take part in the election."

The UN Transitional Authority in Cambodia [UNTAC] under the UN draft will confirm that political parties and candidates meet the criteria in order to qualify for participation in the election.

Adherence to a Code of Conduct established by UNTAC in consultation with the SNC, will be a condition for participation, according to the draft.

Phnom Penh wants adherence to a Code of Conduct established by UNTAC and "approved" by the SNC.

It has no objection to UNTAC organising and conducting the election, but instead of it having the option of consulting with the SNC on the organisation and conduct of the electoral process, Phnom Penh wants to ensure UNTAC "will" consult with the SNC.

Phnom Penh also wants specific changes to UNTAC's authority in exercising its responsibility over the electoral process.

In the draft, UNTAC will establish, "in consultation with the SNC," a system of laws, procedures and administrative measures necessary for the holding of free and fair elections in Cambodia, including the adoption of an electoral law and a code of conduct covering participation in the election in a manner consistent with respect for human rights and prohibiting coercion or financial inducement in order to influence voters.

Phnom Penh wants control of the implementation of laws, procedures and administrative measures governing free and fair elections established and adopted by the SNC.

Another responsibility of UNTAC is to determine whether the elections are free and fair and certify the list of people elected.

Phnom Penh has proposed that UNTAC simply submit the list of elected people proclaimed by the SNC.

Japan

Former Nomura Head Denies Stock Manipulation

OW2908064091 Tokyo KYODO in English 0437 GMT 29 Aug 91

[Text] Tokyo, Aug. 29 KYODO—Former Nomura Securities Chairman Setsuya Tabuchi on Thursday denied manipulation of the share price of Tokyu Corp., a leading railway concern.

"I am sure that there is no such thing as share price manipulation, though I admit there was some excessiveness in transactions (in the Tokyu stock)," Tabuchi told the House of Representatives special committee on securities and financial problems.

Tabuchi, the first securities industry official to testify before the Diet, also admitted his involvement in kickbacks to favored clients, saying he, though aware of a Finance Ministry ban on such practices, gave the go-ahead for compensation.

"Believing it inevitable, I approved the stock-loss reimbursements," he said.

Tabuchi was called to the newly formed Lower House committee to reply to questions about the dubious paybacks and the mysterious surge in the Tokyu stock in 1989, the heart of recent disclosures about Nomura's connections with a leading "yakuza" underworld figure.

Tabuchi admitted Nomura's finance affiliate extended 1.6 billion yen to Susumu Ishii, the retired boss of Japan's second-largest crime syndicate, who used the money to try to corner Tokyu stock.

The Tokyu stock soared nearly 1,000 yen to a record high of 3,060 yen in mid-November after Ishii amassed as many as 2.6 million shares through Nomura and Nikko Securities Co. from April.

Questioning was then continued by a second [as received] Japan Social Democratic Party member, Yoshito Sengoku.

Sengoku asked Tabuchi who had decided that Heisei Finance would buy the golf club memberships and where the funds to buy the memberships came from.

Tabuchi: I think the funds came from Nomura Finance. Heisei Finance is under the control of Nomura Finance. Nomura Securities does not own Heisei's shares. We think of Heisei as the subsidiary of one our subsidiaries. Nomura Finance makes short-term investments. We wanted a firm that would make long-term investments.

Questioning was then continued by Komeito member Shozo Kusakawa.

Kusakawa asked Tabuchi whether it were true that Nomura Securities received 50 million yen in commission fees for handling Inagawa-Kai's transactions of 11 million shares in Tokyu.

Tabuchi: It is true that we made roughly 50 million yen from the transactions.

Kusakawa asked Tabuchi if Nomura Securities had links with other underworld organizations.

Tabuchi: Since we are currently looking into that, I cannot make a definitive statement.

Kusakawa asked Tabuchi what his relationship was with Hirotomo Takei, head of Chisan Co., and stock speculator Mitsuhiro Kotani.

Tabuchi: I've known Mr. Takei for more than ten years and I was introduced to him by the late chairman of the YOMIURI SHIMBUN Yuzo Mutai.

Turning to the issue of unfair kickbacks, Tabuchi said the paybacks were made through transactions in warrant bonds, government bonds, and government bond futures.

Nomura has admitted paying as much as 27,479 million yen to 48 corporate investors and one individual client between October 1987, when the market tumbled, and early 1990.

Questioned about whether the company engaged in such wrongdoing since then, Tabuchi said internal investigations have so far discovered no such payouts.

Compensation against stock losses is not illegal unless promised in advance, but it goes against a Finance Ministry directive issued in late 1989.

Tabuchi said Nomura would identify the beneficiaries of any compensation schemes if the ministry's ongoing special probe finds new paybacks.

Tabuchi blamed himself and other Nomura managers for the malpractice, saying Nomura's senior executives yielded to strong pleas from many of its branches, which proposed making good trading losses for certain clients for "inevitable" reasons.

"The responsibility (for the kickbacks) lies in the Nomura management itself," he said.

Tabuchi also dismissed as "inappropriate" critical remarks made about the Finance Ministry by former Nomura President Yoshihisa Tabuchi.

Yoshihisa Tabuchi told a shareholders' meeting in June that the ministry had turned a blind eye to the prevailing practice.

Tabuchi was responding to Akira Ohno, chairman of the committee, Yuji Tsushima of the ruling Liberal Democratic Party, and five opposition party members during the originally two-hour, but extended morning session.

In the afternoon, Takura Iwasaki, former president of Nikko Securities Co., will appear before the commitee for another two-hour session.

Further on Stock Manipulation Scandal

OW2908093491 Tokyo KYODO in English 0814 GMT 29 Aug 91

[Text] Tokyo, Aug. 29 KYODO—Two key figures in the recent stock scandal Thursday denied allegations that their brokerage companies artificially drove up the share price of Tokyu Corp., a leading railway concern.

Speaking as sworn witnesses at the House of Representatives ad hoc committee on securities and financial matters, former Nomura Securities Co. Chairman Setsuya Tabuchi said, "I am confident that there was no such thing as share price manipulation, though I admit there was some excessiveness in transactions (in the Tokyu stock)."

Takuya Iwasaki, former president of Nikko Securities Co., also countered the manipulation charge, saying, "I don't believe Nikko has been so much involved (in the alleged manipulation)."

The surge in Tokyu stocks during 1989 is at the heart of revelations about shady connections between the major brokerage firms and a leading "yakuza" underworld gang.

The two men, the first such witnesses from the securities industry to appear in the Diet, resigned from Japan's biggest and third-biggest brokerage houses following the stock scandal, in which their companies also paid out unfair kickbacks to selected clients.

Tabuchi told the morning session of the lower house special committee on securities and financial problems that one of Nomura's finance affiliates had extended 16 billion yen to Susumu Ishii, the retired boss of Japan's second-largest crime syndicate, who used the money to try to corner Tokyu stocks.

Tabuchi, however, denied having any personal contact with Ishii.

Iwasaki, who appeared at the committee's afternoon session, also admitted a Nikko finance affiliate had provided 20.2 billion yen in five loans for Ishii from April 1989 to May 1990.

The Tokyu stock soared nearly 1,000 yen to a record high of 3,060 yen in mid-November 1989 after Ishii amassed as many as 2.6 million shares through Nomura and Nikko from April that year.

The surge may have been triggered by artificial forces like heavy buying, some analysts contend, as the gains came shortly after Nomura started to actively recommend Tokyu stock to investors October 19.

Tabuchi conceded Nomura's recommendation of the Tokyu stock was "excessive," as charged by Finance Ministry officials who conducted a regular probe on the company in March this year.

But he was adamant in his belief that Nomura did not violate Article 125 of the country's Securities and Exchange Law, which prohibits manipulation of share prices.

"I am absolutely sure there was no manipulation," he reiterated.

The Finance Ministry is now conducting a special probe into the allegations.

Iwasaki based his dismissal of the manipulation charge on Nikko's minor involvement in the Tokyu share case.

He pointed to the fact that Nikko accounted for only 9 percent of total turnover in the Tokyu stock during the three months from October 1989, compared with Nikko's 8-9 percent turnover share of the entire stock market.

During the same period, Nomura had a 24-26 percent share of the total turnover of the Tokyu stock, according to Tabuchi.

Both companies also invested 2 billion yen each in membership of the Iwama Country Club in Ibaraki Prefecture, north of Tokyo, closely linked to Ishii's syndicate.

Asked about the unfair paybacks, another central issue in the scandal, both men said their in-house investigations have so far uncovered no such malpractices since April 1990.

Nomura has admitted paying as much as 27,479 million yen in reimbursements to 48 corporate investors and one individual client between October 1987 and March 1990. Nikko paid 33,100 million yen to 59 corporate investors in the same period.

Compensating against trading losses is not illegal unless promised in advance but goes against a Finance Ministry directive issued in late 1989.

Tabuchi said Nomura is ready to provide information about any further instances of compensation by the company since April 1990 if the ministry's ongoing special probe finds evidence of such cases.

Tabuchi also acknowledged he himself gave the go-ahead for payment of the reimbursements after repeated requests from officials at branch level.

Iwasaki, for his part, said it was Nikko and not the company's clients which had decided to make the paybacks so as to maintain friendly relations with investors.

The two men said the paybacks were made via transactions in stocks, warrant bonds, government bonds, and government bond futures or through allocations of newly issued corporate bonds.

The special lower house panel, recently formed to study the series of financial scandals, will summon three top

financiers Friday to question them about massive loan scams, including those involving fake deposit records.

The three, to be called as unsworn witnesses, are Yo Kurosawa, president of the Industrial Bank of Japan (IBJ), Toru Hashimoto, president of Fuji Bank, and Sotoo Tatsumi, president of Sumitomo Bank.

Defense Agency To Send SDF to UN Units

OW2808130791 Tokyo KYODO in English 1211 GMT 28 Aug 91

[Text] Tokyo, Aug. 28 KYODO—The Defense Agency decided Wednesday to send several military officers next month to inspect operations of United Nations observer missions and peacekeeping forces, agency officials said.

The mission members will come largely from Ground Self-Defense Force (GSDF), the officials said.

The officers will visit some of the seven UN observer missions and peacekeeping units deployed across the world to gather information for use should Japan decide to send SDF personnel to join UN peacekeeping operations.

The UN observer missions, which observe ceasefires and investigate ceasefire violations, have been sent to Egypt, Lebanon, Israel, and other Middle Eastern countries as a form of the UN Truce Supervision Organization.

The observer missions also have been sent to India, Pakistan, Central America, Iran, and Iraq.

The UN has sent its lightly armed peacekeeping troops to Cyprus, Syria, and Lebanon to help stop fighting and to help restore and maintain peace.

Government Welcomes Cambodia Factions' Agreement

OW2908050491 Tokyo KYODO in English 0406 GMT 29 Aug 91

[Text] Tokyo, Aug. 29 KYODO—Japan welcomed Thursday an agreement among Cambodia's four warring factions to cut back their armies and encouraged further progress toward establishing a lasting peace.

Chief Cabinet Secretary Misoji Sakamoto said Tuesday's agreement on a 70 percent reduction of armed forces, to be supervised by the United Nations, represents "a big advance in the peace process."

He lauded Prince Norodom Sihanouk, who heads the Supreme National Council (SNC), an interim national reconciliation body, as well as its members for establishing an atmosphere of reconciliation.

"Japan strongly hopes that the SNC will continue to actively tackle remaining problems and achieve an early lasting peace," Sakamoto said in a prepared statement.

Talks on ending the 13-year-old war broke down Wednesday when the Khmer Rouge objected to a proposal to exclude the Vietnamese-backed Phnom Penh government's police unit from the armed forces reduction plan.

Also yet to be worked out are agreements on human rights and the election system.

Sakamoto, asked whether he believes the communist system would remain in Cambodia, replied, "an atmosphere of achieving peace is growing among the people that is not related to communism."

The SNC will meet again in September in New York.

Executives Endorse Financial Aid for Soviets

OW2908101891 Tokyo KYODO in English 0953 GMT 29 Aug 91

[Text] Tokyo, Aug. 29 KYODO—Japanese trading company executives are calling on the government to give substantial financial aid to the Soviet Union in the wake of the failed coup by communist hard-liners.

In their opinion, financial aid is essential to helping the Soviet Union move toward a market economy and tide it over the current economic crisis.

Humanitarian and technical aid are not enough, the executives say.

Japan's official policy is to give no substantial financial aid to the Soviet Union until the bilateral dispute over the Northern Territories is settled. Japan claims the four islands of the Northern Territories, which are held by the Soviet Union.

The Japanese business community had largely supported the government policy—until the failed Soviet coup last week.

In the long run, it is in the best interests of Japan and the Soviet Union to strengthen their economic ties, said Toshikuni Yahiro, chairman of the Japan Association for Trade with the Soviet Union and Socialist Countries of Europe and adviser to Mitsui and Co.

"We hope the government will offer financial aid to the Soviet Union to help it tide over the crisis," he said.

Naohiko Kumagai, Mitsui president, said Japan can solve its territorial and resources development issues with the Soviet Union by giving financial aid to the country.

Susumu Yoshida, executive director of Nissho Iwai Corp., said Japan will be isolated in the international community if it insists on solving the territorial dispute first.

Among the Western industrial nations, only Japan can offer substantial financial aid to the Soviet Union, he said.

Not all executives were in agreement, however. Yoji Otsuka, executive director of Marubeni Corp., expressed reservations about offering full-scale financial aid to the Soviet Union, except for aid to individual projects.

Keiji Oda, president of Kanematsu Corp., also pointed to the insufficient soviet distribution system, though he said Japan should cooperate with the Soviets in the Soviet Far East region.

ANC Official Relieved Over Failure of Coup

OW2908101191 Tokyo KYODO in English 0819 GMT 29 Aug 91

[Text] Tokyo, Aug. 29 KYODO—A top official of the African National Congress (ANC) expressed relief Thursday at the failure of Soviet hard-liners' attempt last week to overthrow President Mikhail Gorbachev, saying their success could have delayed the elimination of apartheid in South Africa.

"The ANC did not support this coup in the Soviet Union and clearly it was unconstitutional and antidemocratic," Thabo Mbeki, the ANC's chief of international affairs, said in an interview.

Mbeki said a successful coup might have encouraged South African security forces to crack down on the democratization movement in South Africa.

He said the ANC hopes to continue its good relations with the Soviet Union, which is hosting several students from the ANC.

The Soviet Union has been a long-time patron of the ANC, which also maintains close ties with the South African Communist Party.

Mbeki maintained, however, that developments in the Soviet Union would not have an impact on ANC policy because "our views about what we should do about South Africa were never modeled on the Soviet situation."

Speaking of the need to spur economic growth, Mbeki said he hopes for the early establishment of an interim government, which he said would encourage foreign governments to resume normal relations with South Africa.

In the meantime, he said he hopes Tokyo and other governments will continue applying pressure on Pretoria.

"Those people who are looking at the sanctions question, we are saying to them we are dealing with a very short time frame... really a matter of months," Mbeki said.

Tokyo is expected to lift economic sanctions in the near future. Foreign Ministry officials, however, have declined to spell out conditions for their removal.

"The establishment of such an interim government would create the possibility for the rest of the world to interact with South Africa in a more positive way," Mbeki said.

The ANC is pressing for establishment of a transitional government that would pave the way for introducing a new constitution aimed at widening voting rights to include the 30 million black majority.

The ANC is facing difficulties, however, in persuading the wide spectrum of black antiapartheid groups to support the plan.

Antiapartheid organizations are expected to meet at the end of September to try to forge a united position on establishing an interim government, said Mbeki, who has been described as equivalent to prime minister in the ANC shadow cabinet.

Mbeki said the ANC is still working out details on its economic blueprint but said there would be no wholesale nationalization of industries based on rigid ideology.

"We want to ensure there is a more equitable distribution of wealth. We believe that the question of nationalization should be one of the instruments that should be considered," he said.

Mbeki is in Japan until Saturday to attend a private two-day Japan-U.S.-Africa conference on development in Africa.

He is slated to travel to the United States in October to discuss with business leaders U.S. investment in South Africa as part of a 10-member mission of antiapartheid groups.

Official Expects No Differences in Soviet Aid

OW2808123291 Tokyo KYODO in English 1120 GMT 28 Aug 91

[Text] Tokyo, Aug. 28 KYODO—A senior official of the Finance Ministry said Wednesday he expects no substantial discussions on financial assistance to the Soviet Union at the reportedly scheduled meeting among deputies to the finance ministers of the Group of Seven [G-7] industrial nations.

The official, however, refused to confirm if such a meeting will be held.

French and U.S. Government officials reportedly stated G-7 countries will convene a meeting among deputies to their finance ministers in Paris on Friday.

Even if such a meeting is held, it is unlikely that anything beyond the decision at the London summit will be discussed there, the official, who spoke on condition of not be identified, said.

He referred to the G-7 agreement to provide larger technical assistance to the Soviets, but put off any massive financial aid to help the faltering Soviet economy.

Such a meeting would go no further than exchanging information, he said.

While admitting the conditions surrounding the issue of Western financial aid to salvage the ailing Soviet economy have changed since the London summit, the official said, "I am not sure whether the conditions have changed for the better or worse (for assistance)."

The official also said the ministry is not sending any representative to another G-7 working-level meeting scheduled to be held in London on Thursday.

"We have not received an invitation (to the London meeting)," he said.

Romanians Urge Tokyo To Recognize Moldova

OW2808141691 Tokyo KYODO in English 1319 GMT 28 Aug 91

[Text] Tokyo, Aug. 28 KYODO—Romania called on Japan on Wednesday to extend diplomatic recognition to the Republic of Moldova, a former part of Romania which declared its independence from the Soviet Union on Tuesday, Foreign Ministry sources said.

But the sources said Tokyo indicated to Bucharest that it is not ready to make such a move, at least not before recognizing the three Baltic states of Estonia, Latvia, and Lithuania.

The Romanian request was conveyed during a meeting between Romanian Charges d'Affaires Ion Scumpieru and Hideaki Domichi, director of the Foreign Ministry's East European Division.

The meeting coincided with Foreign Minister Taro Nakayama's announcement that Japan will send a four-person mission on Sunday to Estonia, Latvia, and Lithuania to prepare for diplomatic recognition.

A Romanian diplomatic source said Bucharest is "confident that the Government of Japan and other governments in the world will act in the same spirit by recognizing the independence of Moldova."

He said Scumpieru informed Tokyo of Bucharest's decision Tuesday to recognize and proceed with establishing diplomatic relations with Moldova. Romania is the first country to do so.

The envoy also conveyed Romania's official statement hailing the proclamation of "an independent Romanian state" in the territories forcibly annexed from it in 1940 under a secret pact concluded between the Soviet Union and Nazi Germany, the same pact in which the Soviet Union annexed the three Baltic states.

Romanian Foreign Minister Adrian Nastase said in Tokyo earlier this month that the independence of Moldova, where two-thirds of the population of 4.3 million are ethnic Romanian, is an essential step in achieving the peaceful reunification of Moldova with Romania based on "the German model."

Scumpieru was reportedly told by Domichi that Japan acknowledges the "special" nature of Romania's ties with Moldova.

But sources said the Japanese side made no commitment on the question of recognition.

Chief Cabinet Secretary Misoji Sakamoto told reporters earlier in the day that Japan "is not yet at a stage where we can make an assessment" on whether to extend recognition to Moldova.

Foreign Ministry sources said that whereas Estonia, Latvia, and Lithuania were independent states at the time of their annexation in 1940, Moldova, then known as Bessarabia and Northern Bukovina, did not have nationhood.

Sources said Japan is concerned about taking any action that could contribute to the possible outbreak of an anarchic situation in the fragile Soviet Union.

Court Rejects Claim to U.S. Military Site

OW2808141491 Tokyo KYODO in English 1247 GMT 28 Aug 91

[Text] Yokohama, Aug. 28 KYODO—The Yokohama District Court on Wednesday ruled against eight residents of Zushi City, Kanagawa Prefecture, who wanted the central government to return to the city part of the land on which a U.S. military housing complex is under construction.

The residents opposed to the construction filed the suit six years ago, saying the site includes 15 plots of land which belong to the city but are illegally registered as national land for construction of housing for U.S. military personnel.

The plaintiffs claimed the city had owned the 15 plots before World War II according to the land register.

The government, on the other hand, claimed the plots were unregistered when the site was registered as national land in 1984.

Presiding Judge Jukichi Sakuma rejected the residents' claim and ruled that the government owns all 15 plots, because of documents to this effect between the government and the city of Zushi.

The plaintiffs said they will appeal the ruling to a high court.

Kyoto Governor Postpones Trip to USSR

OW2908074291 Tokyo KYODO in English 0712 GMT 29 Aug 91

[Text] Kyoto, Aug. 29 KYODO—Kyoto Governor Teiichi Aramaki said Thursday he will postpone his scheduled September visit to the Soviet Union.

Aramaki said it would be difficult to meet with officials in the Soviet Union at that time, citing the failed coup and following dissolution of the Soviet Communist Party as his reasons for postponing the visit that was scheduled to begin September 7.

The Kyoto governor's main aim in the visit was to publicize Maizuru Port in northern Kyoto Prefecture, which serves as the north entrance for Kyoto-Osaka-Kobe area.

He was scheduled to meet officials of a shipping company for the Far East to discuss the increase of Maizuru-Nakhodka container routes to twice a month from once.

Siberia Finds More Japanese Prisoners' Remains

OW2808172291 Tokyo KYODO in English 1455 GMT 28 Aug 91

[Text] Tsuruoka, Yamagata Pref., Aug. 28 (KYODO)—The remains of some 120 Japanese prisoners of war have been discovered in the Irkutsk region of the Soviet Union, the head of a former internees association said Wednesday.

Rukuro Saito, chairman of the All-Japan Former Internees Association, who has just returned home from the area, found the graves of the Japanese in the region of Usol'ye-Sibirskoye, where the remains of 30 other Japanese were found in July.

The remains are believed to be those of former Japanese POWs who died during internment after World War II.

The Japanese were captured by Soviet troops at the end of the war in Manchuria in the northeast part of China, which was then under Japanese occupation.

Mongolia

Meeting Condemns MPRP Stand on Coup Attempt

OW2808000691 Ulaanbaatar Radio Ulaanbaatar in English 0910 GMT 26 Aug 91

[Text] A mass meeting expressing the solidarity with the people of the USSR, who gained victory over reactionary forces, has been held in Ulaanbaatar Sunday. The meeting was organized by all the democratic political forces of Mongolia. The Mongolian Youth Union and a faction of the Mongolian People's Revolutionary Party [MPRP], which stands for the traditions and revival of the Mongolian People's Party and which is the most radical part of the Communist Party, have also joined the meeting.

The main subject of the speeches made at the meeting was the position of the leadership of the ruling Mongolian People's Revolutionary Party, its organ UNEN, the state and government organ ARDYN ERH and the Mongolian Radio and Television, which have published and broadcasted the documents issued by the State Emergency Committee of the Soviet Union in full (?size). Their position has been resolutely condemned by orators for stressing that Mongolia still greatly depends on the Soviet Union for domestic stability. The meeting in general went on in the anticommunist atmosphere. There were demands to dismiss the Mongolian People's Revolutionary Party. The information about Soviet President Gorbachev's renunciation of his post of General Secretary of the CPSU Central Committee was met with wide applause by the meeting participants.

An appeal to the Mongolian people has been read out at the meeting, which called for the unity of all democratic forces of Mongolia in the face of the threat of communist dictatorship's revival, that according to the democratic forces exists in reality today. A representative of the (?mentioned) faction of the Mongolian People's Revolutionary Party did not speak at the meeting.

Minister Welcomes PRC President's Visit

OW2808022591 Ulaanbaatar Radio Ulaanbaatar in English 0910 GMT 26 Aug 91

[Report on interview with Mongolian Foreign Minister Gombosuren on the occasion of the visit of PRC President Yang Shangkun to Mongolia; in Mongolian, fading into English translation]

[Text] This is the first ever official visit of Chinese state leader to Mongolia in the history of Mongol-Chinese relations. It must become an impetus for the further development of relations between the two neighboring countries. We expect that the understanding reached between the Mongolian and Chinese sides in recent years concerning relations in the sphere of politics, economy, trade, culture, and other spheres will be further developed during the visit. This visit will have great effect on increasing the role of Mongolia and China in strengthening mutual understanding and trust in the Asia-Pacific Region and intensifying cooperation in this region, says the Mongolian Foreign Minister.

President Yang Shangkun is paying his return visit. Last year Mongolian President Ochirbat visited China. These two visits together indicate the high level of mutual understanding and trust between Mongolia and China. Leaders of the two countries will exchange views on the further development of bilateral relations and [words indistinct]. The sides will sign several documents—firstly, an intergovernmental agreement on establishing Mongolia's outlet to the sea will be signed. Then there are agreements on supporting and protecting investments and exemption from double taxes. Besides an agreement on granting credits to Mongolia, a document on postponing the payment of Mongolia's debts to China is also expected to be signed during this visit.

These documents must become an important basis for the further development of bilateral relations. The document on granting credits from the part of China to Mongolia and on postponing the payment of Mongolia's debts to China would be a great support in Mongolia's present complicated economic conditions and a way to

support [words indistinct] in this country, for which we express our deep gratitude to the Chinese side, said Mongolian Foreign Minister Gombosuren.

Commentary Lauds Relations With PRC

OW2808040691 Ulaanbaatar Radio Ulaanbaatar in English 0910 GMT 26 Aug 91

[Mongolian radio observer's commentary on Sino-Mongolian relations in connection with PRC President Yang Shangkun's visit to the MPR Mongolian People's Republic]

[Text] The victory of the People's Revolution in China in 1949 created a special condition for establishing friendly relations between the peoples of Mongolia and China. After the declaration of the People's Republic of China the two neighboring countries recognized the independence of each other and established diplomatic relations. This was the starting of a new historical era in the history of relations between the two states and peoples. In recent years as a result of mutual efforts bilateral relations have developed in accordance with the new [word indistinct]. Political, trade, and economic, cultural, scientific, and other ties have been elevated to a qualitatively new level.

The fact that Mongol-Chinese political relations have been restored to develop on the universally accepted principles of equality, mutual respect, noninterference into each others affairs, etcetera, have strengthened the ground for further development of all-round goodneighborly and friendly relations. After a more than 20 years gap a Chinese parliamentary delegation visited Mongolia in 1987 and in 1988 Mongolian MP's [members of parliament] paid a return visit to China. This was the restoration of relations between the supreme legislative bodies of the two countries.

In 1991 Mongolian President Punsalmaagiyn Ochirbat paid an official visit to China, which has also become an important event in the history of bilateral relations. A joint communique, which was issued during that visit said: Both leaders of Mongolia and China confirm that basing upon the 1960 Mongol-Chinese Treaty on Friendship and Mutual Assistance the two countries will maintain and strengthen bilateral friendly relations and all-round cooperation on the principles of mutual respect of state sovereignty and territorial integrity, nonaggression into each other's territories, noninterference into each others domestic affairs, equal and mutually beneficial cooperation, and peaceful coexistence.

As a result of the stabilization of political dialogue between Mongolia and China a number of new treaties and agreements have been signed. In the last several years such documents have been signed as the Treaty on Mongol-Chinese Border Regulation; Consular Convention; the Agreement on Forming an Intergovernmental Commission for Trade, Economic, Scientific, and Technological Cooperation; the Agreement on the Order of Citizens Exchange; agreements on nature and environmental protection; health protection, and many others which gave an impetus for intensive development of economic, trade, cultural, scientific, technological and other relations.

Mongol-Chinese relations as a compound [as heard] of the whole complex of international relations, serve not only the interests of the people of the two countries but also positively influence the situation in the Asia-Pacific Region and contribute to the further progress in this region and strengthening of peace and security, mutual understanding, and all-round cooperation there.

Mongolia and China are standing on the common position concerning such vitally important questions as maintaining peace in the Asia- Pacific Region and in the entire world, eliminating nuclear weapons, protecting nature and environment, etcetera. Mongolia has initiated to create a mechanism of political dialogue between Northeast Asian countries which has been welcomed by the People's Republic of China. This obviously shows that uniting of the two countries' efforts in strengthening peace and security in the APR [Asia-Pacific Region] and developing cooperation there has become a reality.

Mongolia firmly stands on the position to maintain and furthermore develop relations with her big southern neighbor and promote highly effective bilateral cooperation, which has already become a reality and for which there are still broader prospects.

PRC Reports on Yang Shangkun Visit

Yang Lays Wreath at Monument

OW2608120991 Beijing XINHUA in English 1044 GMT 26 Aug 91

[Text] Ulaanbaatar, August 26 (XINHUA)—Visiting Chinese President Yang Shangkun went to the Suhbaatar Square in the centre of the capital city in spite of the rain, and laid a wreath at the Suhbaatar Monument there this afternoon.

The ribbon on the wreath bore the inscription: "Dedicated to D. Suhbaatar", who was the founder of the Mongolian People's Republic.

President Yang was accompanied on the occasion by Radnaasumbereliyn Gonchigdorj, vice-president and chairman of the Small Hural of Mongolia, and Lhamsurengiyn Enebish, mayor of Ulaanbaatar City.

Signs Economic Accord

OW2608123491 Beijing XINHUA in English 1217 GMT 26 Aug 91

[Text] Ulaanbaatar, August 26 (XINHUA)—The Chinese and Mongolian governments signed agreements today easing transport for Mongolian goods, and for cooperating on economic matters.

The documents were signed with the presence of visiting Chinese President Yang Shangkun and Mongolian President Punsalmaagiyn Ochirbat. They had just concluded their official talks at the state palace.

Under the accords, China will offer favorable transit facilities for Mongolian goods transported through Chinese territory. Mongolia will be able to ship goods from China's New Tianjin seaport.

Avoidance of double taxation on incomes and prevention of tax evasion, the mutual encouragement and protection of investment, and a Chinese loan for Mongolia were other points in the agreements.

Mongolian Vice-President and Chairman of the Small Hural, Radnaasumbereliyn Gonchigdorj, and Prime Minister Dashiyn Byambasuren were also present for the signing.

Yang, the first head of state of the People's Republic of China to visit Mongolia, arrived here today on the four-day visit.

Urges New World Order

OW2608152091 Beijing XINHUA in English 1451 GMT 26 Aug 91

[Text] Ulaanbaator, August 26 (XINHUA)—Visiting Chinese President Yang Shangkun said here today that the establishment of a new international political and economic order will be a long and arduous process.

He said that China is ready "to make efforts with Mongolia and all other countries in the world for the establishment of a fair and reasonable international order."

President Yang Shangkun made the remarks at a banquet given in his honor here this evening by President Punsalmaagiyn Ochirbat of the Mongolian People's Republic.

The Chinese president noted, "the current international situation is complicated and changing. The old world structure has disintegrated and a new one has yet to take shape. The people of various countries are working for the establishment of a new international political and economic order."

"We are of the view that the new order must be based on the five principles of peaceful coexistence. All countries, big or small, strong or weak and rich or poor, should be equal and have the right to participate in consultations for solving international issues. Each and every country has the right to choose its social system, economic model and course of development in the light of its domestic conditions," Yang Shangkun said.

The Chinese president noted that China and Mongolia are friendly neighbors which are linked with mountains and rivers. For a long time, he added, the Chinese and Mongolian peoples have respected, supported and helped each other and forged a profound friendship. He expressed his satisfaction with the continuous expansion and growth of Sino-Mongolian exchanges in various fields in recent years with common efforts of the two sides.

"The development of Sino-Mongolian friendly relations not only conforms to the common aspiration and fundamental interests of the peoples of the two countries, but also facilitates peace and stability in Asia. The Chinese Government and people will, as always, abide by the principles laid down in the China-Mongolia friendship and mutual aid treaty and the Sino-Mongolian joint communique issued in 1990 to continue their efforts for the development of Sino-Mongolian good-neighborly and friendly relations on the basis of the five principles of peaceful coexistence," he said.

After paying his tribute to the Mongolian people for their achievements in national construction, the Chinese president expressed his belief that the Mongolian people will surely overcome their temporary difficulties on the road of advance and score new achievements in revitalizing their country.

Speaking of China's socialist modernization drive, President Yang said that the Chinese people will certainly succeed in building socialism with Chinese characteristics.

Ochirbat Hosts Banquet

OW2608161591 Beijing XINHUA in English 1514 GMT 26 Aug 91

[Text] Ulaanbaatar, August 26 (XINHUA)—Both Mongolian and Chinese presidents expressed their desire to further expand Sino-Mongolian good-neighborliness and friendly relations here this evening.

Mongolian President Punsalmaagiyn Ochirbat and visiting Chinese President Yang Shangkun voiced their wishes at a state banquet given by Ochirbat in honour of his Chinese counterpart.

The two leaders said that the two countries would develop their relations in the light of the Sino-Mongolian friendship and mutual aid treaty signed in 1990, and the joint communique issued in Beijing last year.

Present on the occasion were Radnaasumbereliyn Gonchigdorj, vice-president and chairman of the Small Hural; Dashiyn Byambasuren, prime minister and other senior Mongolian officials.

Yang Meets President Ochirbat

OW2608161891 Beijing XINHUA in English 1529 GMT 26 Aug 91

[Text] Ulaanbaator, August 26 (XINHUA)—Visiting Chinese President Yang Shangkun and his Mongolian counterpart Punsalmaagiyn Ochirbat have promised to further promote the good-neighborly and friendly relations between the two countries.

The two leaders made the pledge at the two-hour-long official talks this afternoon at the state palace. A Chinese Foreign Ministry spokeswoman told newsmen that the two leaders exchanged views in depth on Sino-Mongolian relations and international issues of common concern.

President Ochirbat regarded the first Mongolia visit by a head of state of China as a step of great importance for furthering Mongolian-Chinese friendly relations.

He said that the Mongolian-Chinese relations are based on the Mongolia-China Friendship and Mutual Aid Treaty signed in 1960 and Mongolia-China Joint Communique issued in Beijing last year and other agreements.

Yang said that China has always respected the independence and sovereignty of Mongolia. The Chinese Government, he added, will, as always, continue its efforts for developing Sino-Mongolian good-neighborly and friendly relations on the basis of the five principles of peaceful coexistence.

As close neighbors, Yang said, China and Mongolia enjoy every convenience to promote their economic and trade relations of cooperation. "There are broad prospects," he stressed.

On international situation, the Chinese president noted that the current world is now undergoing profound changes and it is now in a turbulent time of a new world structure replacing the old one.

"The factors which will lead to tension and turbulence still exist and the whole world remains insecure," Yang stressed.

But, the Chinese president was optimistic about the situation in Asia, saying that Asian countries are now paying more attention to the issue of peace and development. "The active promotion of the regional cooperation in political and economic fields will facilitate the relaxation and stability of the situation in the region," he said.

The Mongolian president said that the principles of Mongolia's foreign policy are mutual respect for sovereignty and territorial integrity, non-interference in each other's internal affairs, mutual non-aggression, active and mutual respect for each other's road of development, promoting its relations with other countries on the basis of equality and mutual benefit, and developing its relations with the Soviet Union and China.

He told the Chinese guests that his country will realize its goal by the use of its natural resources and on the basis of self-reliance. He also called for foreign assistance.

During the talks, President Yang announced that the Chinese Government has decided to grant some amount of rice, food and medicine to Mongolia.

This afternoon, President Ochirbat and Vice-President Radnaasumbereliyn Gonchigdorj had met with Chinese President Yang Shangkun respectively. Yang extended his invitation to them to visit China again and thanked the Mongolian Government for its assistance to China's flood victims. He also conveyed best regards of Chinese Premier Li Peng and Vice-President Wang Zhen to the Mongolian leaders.

Strength Seen in Joint Ties

OW2608163091 Beijing XINHUA in English 1530 GMT 26 Aug 91

[Text] Ulaanbaator, August 26 (XINHUA)—Mongolian President Punsalmaagiyn Ochirbat told a banquet in honor of visiting Chinese President Yang Shangkun here today that the spirit of mutual help has become a feature in ties between the two countries.

"The first visit to our country by the head of state of the Chinese People's Republic is an extraordinary event, which shows the high level of relationship between our two countries," he said.

Ochirbat said important agreements, signed after the talks, determined the new prospects, and strengthened the legal basis, for economic and trade relations and cooperation between the two countries.

He singled out one of the agreements under which China will offer favorable facilities for Mongolian goods transported through Chinese territory. It was "of great importance to landlocked Mongolia," he said.

"It is a concrete support China renders to our country for its developing economic and trade relations with various countries in the world."

Since ancient times, the Mongolian and Chinese peoples had been friendly neighbors, with a traditional relationship.

In recent years, he noted with "satisfaction," Mongolian-Chinese relations had expanded and developed in depth, and entered a new phase.

Ochirbat described his talks this afternoon with Yang as proceeding in "a friendly and businesslike atmosphere."

"We had identical views on further expanding and developing Mongolian-Chinese cooperation on the basis of equality and mutual benefit," Ochirbat said.

He said the Mongolian Government would steadfastly expand and promote its all-round cooperation with China in accordance with the interests of the Mongolian people, and in light of the spirit embodied in the Mongolian-Chinese friendship and mutual aid treaty, and the Mongolian-Chinese joint communique issued in Beijing last year.

He spoke highly of the "tremendous achievements the people of all nationalities of China have made in the cause of building their country and implementing the open-door policy."

The Mongolian president said he also highly appreciated China's support for and contribution to peace and development in Asia as well as the world at large.

North Korea

South Korean 27 Aug Military Exercises Reported

SK2908044691 Pyongyang KCNA in English 0418 GMT 29 Aug 91

[Text] Pyongyang August 29 (KCNA)—A 105 mm gun battery of the South Korean puppet army fired more than 60 shells toward Yongsan-ri, Paju County, and Kogok-ri in the estuary of the river Rimjin twice on August 27, and armed bandits of the puppet army fired over 100 M-16 rifle bullets blindly toward the Military Demarcation Line, according to military sources.

At the same time, some 450 fully-armed puppet armymen aboard 14 trucks staged a military exercise, moving from Tapgok-ri, Paju County, to the Military Demarcation Line. Upwards of 500 armed bandits deployed on the ridge of a nameless hill in Yonchon County near the Military Demarcation Line staged under our eyes an offensive operational exercise aimed at invading the North and similar provocative war games were staged in different areas near the Demilitarized Zone.

Meanwhile, scores of armed and transport helicopters held an air striking exercise against targets near the area of our side in the sky above Yulli-ri, Cholwon County, South Korean Kangwon Province. On August 27 alone, the South Korean puppets staged aerial military exercises of every description in the skies above South Korea with the mobilisation of more than 600 military planes.

Kim Yong-sun Cited on Situation in USSR

OW2908113091 Tokyo NHK General Television Network in Japanese 1454 GMT 28 Aug 91

[Comments by Kim Yong-sun, secretary in charge of foreign affairs at the Worker's Party of Korea, made to NHK reporter Miwako Fujita; from the "Report on North Korea Amid Upheaval in the USSR" program—recorded; Kim speaks in Korean with simultaneous Japanese translation in subtitles; translated from the Korean]

[Text] [Kim Yong-sun] We are dealing with all problems based on the chuche idea under which the people are the masters of the nation. We always hope that all problems within the Soviet Union will be resolved in a way that fulfills the wishes of the Soviet people.

[Fujita] In this way, Secretary Kim expressed his view in line with the chuche idea. Asked to comment on the situation in the Soviet Union, Secretary Kim and other general citizens were united in saying that the problems in the Soviet Union should be resolved by the Soviet people themselves. I was surprised by this.

China's Jiang Zemin Remarks on Socialism Cited

SK2908115791 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 28 Aug 91

[Text] According to a XINHUA report, Comrade Jiang Zemin, general secretary of the CPC Central Committee, spoke at a ceremony held on 26 August in Beijing to mark the 90th anniversary of Chen Yi's birthday.

In his speech, he said that the cause of building socialism with Chinese characteristics is the continuation of the revolutionary cause explored by old revolutionaries.

He stated that efforts must be made for firmer unity and arduous struggle. He stressed the need to emulate the examples set by the old proletarian revolutionaries and to realize the strategic goals of the second phase of the socialist modernization construction. He also noted that this will become a most wonderful commemoration of Comrade Chen Yi and other departed proletarian revolutionaries.

PRC Leaders Greeted Through CPC's Zhu Liang

SK2908003991 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 28 Aug 91

[Text] Comrade Kim Chong-il congratulated the head of the CPC Central Committee International Liaison Department for the achievements he made during his visit to our country.

Before Comrade Zhu Liang, head of the CPC Central Committee International Liaison Department, left Pyongyang by plane on 26 August after concluding his visit to our country, Comrade Kim Chong- il, member of the Presidium of the Workers Party of Korea [WPK] Central Committee Political Bureau and secretary of the party Central Committee, called him from an outlying region and congratulated him for his achievements during his visit. Comrade Kim Chong-il asked the head of the International Liaison Department to convey his kind greetings to Comrades Deng Xiaoping, Jiang Zemin, Yang Shang-kun, and Li Peng.

Visiting Japanese Group Tours Various Places

SK2808120591 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 23 Aug 91

[Text] On 21 and 22 August a delegation of Japanese lawyers and social activists for the defense of the human rights of Korean residents in Japan, led by Kitayama Rokuro, former chairman of the Japanese Bar Association, visited revolutionary battle sites and historic sites around Mt. Paektu and the secret camp there.

The guests listened to the immortal stories told in the headquarters log cabin and attentively looked at historic relics that were preciously preserved.

The guests then visited the secret camp in Mt. Paektu, the place where dear leader Comrade Kim Chong-il was born. While touring the historic sites of his birthplace,

the guests expressed infinite admiration for dear leader Comrade Kim Chong-il, who was born with the soul of Mt. Paektu and who experienced the arduous difficulties of the anti-Japanese war during his childhood. Thus, he came to possess peerless courage, extraordinary wisdom, noble character, and people's traits. The guests took a picture commemorating the visit to dear leader Comrade Kim Chong-il's birthplace.

(Sazaki Hidenori), adviser to the delegation, said that because of his visit to the Mt. Paektu secret camp, he better understood the anti-Japanese revolutionary struggle organized and led by President Kim Il-song and that the anti-Japanese armed struggle was an unprecedented and arduous revolutionary war.

Member of the delegation (Tokoi Shigeru) said that he could not help but be moved by General Kim Il-song's revolutionary history and how he plowed through the fierce snowstorm and struggled to achieve the nation's liberation. He also said that Gen. Kim Il-song had already clearly foreseen the prospects for Korea's liberation during the anti-Japanese struggle days. He continued to say that the Korea of today started in the thick forest of Mt. Paektu, the dawning of its future.

The delegation also toured Mt. Paektu, the sacred mountain of the revolution. Member of the delegation (Tada Tatzuya) said that Mt. Paektu, the highest mountain in Korea, is truly majestic. He went on to say that in the summer of 1930 in Chialun, President Kim Il-song presented the far-reaching line for the liberation of the fatherland and went into the broad popular masses, kindling in their hearts a revolutionary fire.

Even without national glory and support he fought with the Japanese imperialists in conformity with the strength of the Korean people, and in this process he created the chuche idea. The chuche idea is a man-centered idea which regards the popular masses as true masters of the nation and society.

He said that he was very moved by Korea's youth and students, who, after exploring Mt. Paektu, all the more firmly armed themselves with Mt. Paektu's revolutionary spirit.

The delegation also toured revolutionary and historic sites in Yanggang Province, such as Samjiyon and (Taehongdan).

In support of Korea's independent and peaceful reunification, the delegation held a demonstration and march at Mt. Paektu.

On 23 August the delegation visited the Korean Art Film Studio. The guests listened to the explanation of how the studio was strengthened and developed into a chuche-type base to create films under the wise leadership of the great leader and dear leader comrade and looked over the various facilities.

Member of the delegation (Hirose Yoshio) said that the Korean Art Film Studio was made into a magnificent base to create film under the detailed consideration of Comrade Kim Chong-il and that he does not know of anyone like Comrade Kim Chong-il, a leader of a nation, who could so energetically lead the arts work. He said that there is no film studio in any country like this comprehensive and modern film studio.

The delegation also visited the Museum of Korean Revolution, the Korean Central Historic Museum, the West Sea Floodgate, and the Chongsan Cooperative Farm.

On the evening of 23 August, the guests watched a performance by the artists of Pyongyang at the Mongnan Pavilion.

Japanese Party Official's Call for Ties Noted

SK2908045591 Pyongyang KCNA in English 0428 GMT 29 Aug 91

[Text] Pyongyang August 29 (KCNA)—Makoto Tanabe, chairman of the Central Executive Committee of the Social-Democratic Party of Japan, met Foreign Minister Nakayama on August 27 and urged the government to make positive efforts to break the impasse at the fourth intergovernmental full-dress talks for the normalization of Korea-Japan relations slated in Beijing, according to a NHK report.

Stressing that "this opportunity must not be missed in the normalization of diplomatic relations", Tanabe said "the government should show active response for a breakthrough in the negotiation."

Leadership Turnout at Youth Day Meeting Noted

SK2908113291 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 27 Aug 91

[Excerpts] A central report meeting was held on 27 August in the Kim Il-song Plaza to mark the first Youth Day.

The site of the meeting, which was attended by about 100,000 congratulatory delegates to the Youth Day and youth and students from Pyongyang City, was brimming over with the iron-clad will and passionate loyalty of the young vanguard unit determined to consummate the chuche revolutionary cause from generation to generation. The unit was determined to uphold forever the great leader and the dear leader Comrade Kim Chong-il who have provided the shining traditions of the communist movement and youth movement in our country by establishing the Union of the Korean Communist Youth in the flames of the anti-Japanese revolutionary struggle, leading the youth movement to a proud victory. [passage omitted]

Sitting in the reserved seats for the invited guests were functionaries of the party and power organs, the administrative and economic institutions, public organizations; generals and officers of the Korean People's Army; functionaries of scientific, educational, cultural, art,

public health, and publications and journalistic fields; and heroes and men of distinguished services.

Also sitting in the reserved seats for the invited guests were diplomatic representatives from foreign countries and foreign guests.

Seated on the meeting site's platform were Comrade O Chin-u, member of the Presidium of the Political Bureau of the WPK Central Committee and minister of People's Armed Forces; Comrade Pak Song-chol, member of the Political Bureau of the WPK Central Committee and vice president; Comrade Kye Ung-tae, member of the Political Bureau, and secretary of the WPK Central Committee; Comrade Kim Chol-man, alternate member of the Political Bureau of the WPK Central Committee; Comrade Kang Hui-won, alternate member of the Political Bureau of the WPK Central Committee and vice premier of the State Administration Council; Comrades Kim Chung-nin and Pak Nam-ki, secretaries of the Party Central Committee; Comrade Kim Chang-chu, vice premier of the State Administration Council; Kim Pong-chu, director of a department of the Party Central Committee; Choe Mun-son, responsible secretary of the Pyongyang Municipal Party Committee and chairman of the Pyongyang Municipal People's Committee; Choe Ki-yong, chairman of the Education Committee; Won Tong-ku, chairman of the General Federation of Trade Unions of Korea Central Committee; Choe Yong-hae, chairman of the League of Socialist Working Youth of Korea Central Committee; Pak Su-tong, chairman of the Union of the Agricultural Workers Central Committee; and other functionaries concerned, young heroes, and representatives of model youth and students. [passage omitted]

Socialist Youth League Hosts Reception 28 Aug

SK2908043291 Pyongyang KCNA in English 0407 GMT 29 Aug 91

[Text] Pyongyang August 29 (KCNA)—The Central Committee [C.C.] of the League of Socialist Working Youth (LSWY) gave a reception Wednesday on the occasion of the first Youth Day.

Choe Yong-hae, chairman of the C.C., LSWY, and other officials concerned and youth and student representatives from all over the country were present at the reception.

Invited to it were the delegation of Korean youth and students in Japan headed by Pak Ku-ho, vice-chairman of the Central Standing Committee of the League of Korean Youth in Japan, now staying in the socialist homeland, and the delegation of the Council of Youth Associations of Japan led by its Chairman Mikio Aoki.

Speeches were made at the reception.

Letter Sent by Kim Chong-il to Youth Viewed

SK2908104891 Pyongyang KCNA in English 1008 GMT 29 Aug 91

["Militant Banner for New Upswing in Youth Movement"—KCNA headline]

[Text] Pyongyang August 29 (KCNA)—NODONG SINMUN today carries an editorial on "Young Men and Women, Be the Young Vanguard Unfailingly Loyal to the Party and the Leader," a letter sent by the dear leader Comrade Kim Chong il to the young people throughout the country and the officials of the League of Socialist Working Youth (LSWYK) on the occasion of the first youth day.

The paper in the editorial headlined "Immortal Banner Which Rouses Young People to the Struggle for the Accomplishment of the Chuche Cause" says:

The important idea of the work is to firmly prepare all the young people as the young vanguard unfailingly loyal to the party and the leader and thus solidify the ranks of our youth more firmly and carry forward and accomplish the revolutionary cause of chuche to the end.

The dear leader Comrade Kim Chong-il said:

"All the young people and LSWYK officials must prepare themselves as the young vanguard unfailingly loyal to the party and the leader and thus fulfil the mission and duty as the successors to the chuche revolutionary cause more creditably."

The work is a precious ideological and theoretical book which develops in depth the revolutionary theories of the working class on the youth movement onto a new higher stage and a militant banner which helps smash any counterrevolutionary offensive of the imperialists and effect a new upswing in the youth movement of our era. The publication of this monumental work is a great feat performed by the dear leader Comrade Kim Chong-il in the development of our revolution and youth movement.

Noting that the publication of the work is of weighty theoretical and practical significance in the political life of our youth and people and the accomplishment of our revolutionary cause, the editorial continues:

The work, first of all, expounds political and ideological tasks before all the young people to become a reliable young vanguard of the party and thus gives them ideological pabulum to boundlessly glorify their precious political lives on the proud road of revolution led by the party and the leader.

As there are heroic young people who are struggling with conviction in the socialist cause and optimism, not contaminated by any alien ideological trend, our party is strong, our country is developing and prospering and a bright future is in store for our revolution.

The work gives a clear exposition of the ideological and moral traits which should be possessed of by true young

vanguard in our era and indicates the way for all the young people to be a vanguard who upholds the leadership of the party and the leader with loyalty under whatever circumstances and a shock brigade which thoroughly implements the party's lines and policies with the chuche idea as their steadfast faith.

The work encourages the young people to enhance their vanguard role in the practical struggle to add lustre to socialism of our style and thus step up today's onward movement in the '90s.

Only when all the young people take an active part and perform new feats in today's campaign for grand construction to make the era of the Workers' Party shine in response to the tasks set forth in the work can the heroic spirit of Korean youth be powerfully demonstrated again.

The work sets forth the tasks for the young people in the struggle to bring earlier national reunification, the strongest desire of our nation.

It also indicates the tasks for the close unity of all Korean youths including the question of frequent contacts and visits between Korean youth at home and abroad and joint festivals and struggles, the question of encouraging, supporting and helping one another in the joint front for national reuification. For this, the work serves as a highly-important guideline in resolutely smashing the "two Koreas" plot of the U.S. imperialists and the South Korean puppet clique and accomplishing the cause of national reunification in the 1990s.

The work provides a highly-important guideline to strengthen solidarity with the world youth movement by setting forth the tasks of our young people to intensify militant friendship and solidarity with the progressive youths in different countries, holding aloft the slogan of anti-imperialist solidarity, peace and friendship.

The work also lays down tasks to build up LSWYK organizations firmly and enhance their function and role and thereby put the building of the chuche-orientated youth organization on to a new higher stage.

Central People's Committee Decrees Compiled

SK2808035491

[Editorial Report] The following is a compilation of DPRK Central People's Committee [CPC] decrees read on Pyongyang Korean Central Broadcasting Network in Korean.

Undated and unsigned CPC decree: "The Kim Il-song Youth Honor Prize" was awarded to the following functionaries and members of the League of Socialist Working Youth of Korea [LSWYK] for having set examples in "the organizational life of the LSWYK and in the accomplishment of their revolutionary duties": Chong To-myong, chairman of the LSWYK committee at the 28 July ceramic plant; Pak Yong-chol, tunneling miner at Taeyang coal mine; Ho Yong-nam, chairman of the LSWYK committee of the Chonsong youth coal mine; Choe Yong-hui, truck driver at Choyang coal mine; An Chang-ho, chairman of the LSWYK committee at Sinchon mine; Yi Hyong-man, forge worker at Hwanghae iron and steel complex; So Sun-kum, worker at Munchon tire plant in Kangwon province; Kim Ki-chol, coal miner at Kowon coal mine; Hong Chun-hui, worker at the hydrochloric acid workshop of the 8 February vinalon complex; So Yong-sun, truck driver at Musan mine complex; Sin Yong-chol, functionary of the LSWYK committee of Hyeryong county, North Hamgyong province; Pak Yong-chol, chairman of the LSWYK committee at Kim Chong-suk Teachers' College; Kim Chong-ho, tunneling worker at Hyesan youth mine; Kim Kum-sun, spooling worker at Kaesong textile plant; Kim Yong-il, chairman of the LSWYK committee at the cutting workshop of the Taean heavy machine complex; and (Kung Nong-su), chairman of the LSWYK committee of the Kaechon district locomotive unit of the General Bureau of Kaechon District Railways. [Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 25 Aug 91]

CPC decree dated 17 August and signed by DPRK CPC: "The Red Flag of the Double Three Revolutions and the Red Flag of the Three Revolutions" were awarded to the following units which "have contributed to accelerating socialist construction by vigorously waging the movement to create the speed of the nineties":

The Red Flag of the Double Three Revolutions: The breeding stock work team of Naedong cooperative farm in Kaechon city, South Pyongan Province, and Mangyongbong-ho, a large cargo ship belonging to the General Bureau of the Maritime Transportation.

The Red Flag of the Three Revolutions: The zinc work team of the electric heating workshop belonging to [word indistinct] building construction station; the pipe manufacturing work team of Pyongyang commercial machine plant; the cutting work team of the school textbook printing plant; the first work team of the Oriental medicine workshop of Pyongyang pharmaceutical plant; the limbs surgical department of the first Pyongyang People's Hospital; the second floor work team of Pyongyang (Yokchon) department store; the department of otorhinolarynlogy of Pyongyang Medical College; the laundry work team in Pyongyang Medical College; the fifth pit of Chonson youth coal mine; the fourth coal cutting company of the (Wolbong) pit belonging to Choyang coal mine; the research room of the 9 October designing institute; the production work team of the Kaechon livestock feed production plant in South Pyongan Province; the livestock work team of Unyong cooperative farm of Pyongwon County, South Pyongan province; the orchard work team of (Wonhong) cooperative farm in Anju city, South Pyongyang Province; the knitting work team of Kaechon knitting plant in South Pyongan Province; the second assembly work team of the processed wood products manufacturing plant in Yangdong, South Pyongan Province; the first sewing work team of Yangdok clothing plant in South

Pyongan Province; the Kangan tailor shop of the Pyongsong City service facility management station in South Pyongan Province; the youth work team of the steel workshop of Nagwon machine complex; the [word indistinct] work team of the fifth workshop of Ponghwa chemical plant; the trial products workshop of Sinuiju shoes plant; the first work team of the daily necessities production workshop in Haeju chemical plant; the third work team of the Chaeryong wood- products export plant in South Hwanghae Province; the soy sauce work team of the soy sauce manufacturing plant of Songhwa County, South Hwanghae Province; the second work team of the disabled veterans' food processing plant in Kangyong County, South Hwanghae Province; the transportation work team of the farm machinery station of Changyong County, South Hwanghae Province; the processing work team of the repair workshop of the farm machinery station of Taetan County, South Hwanghae Province; the engineering and power work team of the Kangyong County irrigation station, South Hwanghae Province; the livestock breeding work team of (Hwansan) cooperative farm in Chongdan County, South Hwanghae Province; the livestock breeding work team of (Chudong) cooperative farm in Samchon County, South Hwanghae Province; the second work team of the forging workshop of Chonchon rock drill plant; the second construction work team of the Chagang provincial irrigation construction station; the survey company of the 8 August geological survey unit; the cement workshop of the Chunggang County urban construction unit in Chagang Province; the furniture work team of the (Poin) musical instrument material manufacturing plant in Chagang Province; the radio engineering department of the radio engineering faculty of Huichon Engineering College; the first class of the fourth grade of the clinical medicine department of (Impung) College; the fourth power workshop of the Tongchon power plant; the fourth company of the Kangwon provincial survey unit; the first work team of the Cholwon straw products plant in Kangwon Province; the (Paekhwan) management station of the Songdowon recreation center in Kangwon Province; the literature department of the literature faculty of Kumkang College; the underground electric facility installation work team of the automation workshop of the ore dressing center in Musan mine complex; the motor repair work team of the electric repair workshop of Musan mine complex; the fourth work team of the facility assembly workshop of the 23d metal plant construction station of the second metal plant construction complex; the lathe work team of the construction machine production workshop of the Kimchaek construction station belonging to the second metal plant construction complex; the second work team of the (Yonsa) food processing plant of North Hamgyong Province; the processing work team of the repair workshop of the Onsong County farm machinery station of North Hamgyong Province; the press forging products manufacturing work team of the Chongjin aluminum plant; the assembly work team of the implement workshop of the artificial silk general workshop in the Chongjin chemical fiber complex; the third work team of the twisted yarn workshop of the Chongjin netting plant; the second hydraulic structure designing room of the second electric power design office; the livestock breeding work team of the Muchang cooperative farm of Najin City, North Hamgyong Province; the Comrade Kim Il-song's Revolutionary History Department of the Kim Chongsuk Teachers' College; the first class of the fifth grade of the Department of Mathematics of the mathematic faculty at O Chung-hup College; the third platoon of the 1 July mine belonging to Kumdok mine complex; the first platoon of the (Noung) mine belonging to Kumdok mine complex; the second coal cutting company of the electric car pit at Sudong coal mine; the (Hyonta) work team of the Sinsung disabled veterans' automation equipment plant; the engineering and power work team of the Sinhung disabled veterans' industrial goods plant; the Constitution analysis research room of the Hamhung branch of the Academy of Sciences; the second survey company of the Yanggang provincial geological survey unit; the youth work team of the Songam workshop of the Kapsan forestry station in Yanggang Province; the (?log) (?hauling) work team of the (Sangsan) workshop of the (Haengjang) forestry station; the engineering and power work team of the Pungso disabled veterans' daily necessities plant of Yanggang Province; the engineering company of the Huchang geological survey unit of Yanggang Province; the small farm implements work team of the Kim Hyong-kwon county farm implements plant in Yanggang Province; the second work team of the vegetable cultivation branch of the (Potae) general farm; the drying work team of (Pyongwon) beer plant in Yanggang Province; the fourth grade of the Women's Education Department of the biochemistry faculty of Kim Chongsuk Teachers' College; the sweater needling work team of the knitting workshop of the Kaesong knotted goods plant; the 10th locomotive engineer platoon of the Chongju locomotive unit belonging to the Sinuiju Railway Management Bureau under the General Bureau of the Kaechon District Railways; Sinchon railway station belonging to the Haeju Railway Management Bureau under the General Bureau of the West District Railways; the Pungsan platoon of the Sampong railway repair unit under the General Bureau of the Northern District Railways; the Songpyong freight car switching platoon, the (?steam locomotive) battalion under the Chongjin locomotive unit; the first platoon of the locomotive operating battalion of the Cholsong locomotive unit under the General Bureau of the Northern District Railways; and the (Hawolsong) railway repair platoon of the Tanchon railway repair unit of the Tanchon railway management bureau under the General Bureau of the East District Railways. [Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 26 Aug 91]

Editorial Stresses Fulfillment of Slogan

SK2908033591 Pyongyang Korean Central Broadcasting Network in Korean 0016 GMT 24 Aug 91

[NODONG SINMUN 24 August editorial: "Let Us Continue To Uphold the Slogan That Reads 'What the Party Decides, We Will Do'"]

[Text] Our revolution is now vigorously marching at the height of the nineties.

In order to demonstrate in full view the superiority and might of socialism of our own style and to convert our fatherland into a people's paradise where people find it increasingly better to live, all the functionaries and working people should keep upholding the slogan, "What the party decides, we will do it" and materialize it completely.

The dear leader Comrade Kim Chong-il has noted: While upholding the slogan, "What the party decides, we will do," our people are now in a struggle to implement the party's lines and policies, going through fire and water.

Ours is a party that is carrying out the revolution and a struggle. Our party has always vigorously pushed ahead with the revolution and construction, depending on the popular masses' inexhaustible strength, with uncommon resolve.

Clearly explained in our party's resolve are long-term goals and militant tasks that should be realized without fail in accelerating socialist construction and in achieving the fatherland's and the people's prosperity.

To assume as a firm faith the resolve of our party, which is filled with boundless loyalty and devotion to the fatherland, people, and the socialist cause, and to translate it into action is indeed an honorable task for our functionaries and working people to fulfill. To work in accordance with the party's decision is an important call on our functionaries and working people to fulfill their mission as revolutionary fighters.

For the party's fighters, a revolutionary struggle is designed to bring to fruition the lines, policies, resolutions, and plans developed by none other than their own party and leader. Without this struggle, it is impossible to speak of rewarding lives or happiness for the revolutionaries. Only in a struggle they carry out on the assumption that their party's and leader's resolutions are their firm faith can the revolutionaries glorify their noble political lives endlessly and become genuine loyalists and ardent patriots.

The key to the endless upswings being created in our socialist construction lies in the party's correct decisions in conformity with the demand of the developing revolution and the people's desire and in the popular masses' thorough implementation of the party's decisions, whatever sort of decisions they may be.

In terms of history, our people have remained boundlessly faithful to the party's cause and have gone through fire and water to support and implement the lines and policies of their own party. Whenever countless major construction projects and vast tasks needed to be done, ones that have been planned and put in motion by our party, including the Sohae lockgate and Kwangbok Street, the people have demonstrated their indomitable devotion.

When all the functionaries and working people make the traditions of such faithfulness shine without interruption, all of the operations chosen and developed by our party will bear great fruit and our fatherland will become wealthier.

The slogan, "What the party decides, we will do" is one that reflects faith, struggle, and exploits that our people must uphold continuously. We can attain greater victory in the revolutionary struggle and construction and display high the honor and glory of our fatherland only when we keep upholding this good slogan and bring the party's decisions to full bloom.

Driven by a firm decision to give full play to the superiority and might of socialism of our own style and to bring a more rewarding and affluent life to our people, our party is leading the great combat of socialist construction to victory.

By completely implementing all the struggle tasks chosen and driven by our party in the spirit of absoluteness and unconditionality, all the functionaries and working people should once again vigorously demonstrate the splendid figure cut by the Korean people, who are advancing in single-minded unity around the party and leader.

For our functionaries, party members, and working people to bring the party's decisions to full bloom, they should, first of all, grasp the party's lofty intent reflected in the decisions.

Based on all of our party's decisions is the strong will to consummate the chuche revolutionary cause found in the Mt. Paektu forest and a noble intent to offer great joy and satisfaction to the respected and beloved leader Comrade Kim Il-song, who has devoted his lifetime to making our people prosperous and happy. Precisely because of this, our party's decisions are the source of inexhaustible strength and strike a responsive chord in our people's hearts and encourage them to remain loyal and filial to the revolution's leader.

Whenever they learn the party's decisions, all the functionaries, party members, and working people first of all should know clearly what the party wants before implementing the decisions, grasping the party's decisions and intents deep in their hearts.

To this end, all the functionaries, party members, and working people should deeply study the great leader Comrade Kim Il-song's teachings and the party's policies fully and should especially be well versed in the party's policies pertaining to their own sectors and units.

Whenever the party transmits its decisions, we should always assume that they are the expression of the party's

great confidence and trust in us. We should deeply realize what responsible, important tasks we have been given.

Functionaries and working people should cherish deep in their hearts the great pride and honor of carrying out the revolution under the guidance of a great party which is endlessly loyal to the leader's cause, even when it comes to a monumental creation chosen and carried out by the party.

In the whole course of realizing the party's decisions, party organizations and functionaries should vigorously conduct political work in many forms and ways to instill the party's lofty intentions into the party members and working people. Also, in order to bring the party's decisions into bloom, it is imperative to discover ways of doing it on a grand scale and then push ahead with it boldly and aggressively. Without exception, all of the decisions made by our party are bold and innovative, not to mention long-term.

Even when it comes to drawing up blueprints for great monumental construction projects, our party does it on such a level that people envy it, and even when developing tasks aimed at accelerating economic construction, it comes up with bold and militant ones commensurate with the demand of the revolutionary era.

For this reason, only when all the people do their work with an innovative point of view and a revolutionary work method can they positively contribute to realizing the party's decisions and preform new feats. Therefore, functionaries and working people should set their eyes on higher goals in their struggle commensurate with the demand of our party's bold operations and courageous decisions and should begin carrying it out boldly.

Whenever they are given the party's decisions, functionaries and working people should be bold in approaching the blueprints and operations after giving endless thought about it and discussing it collectively, and then they should grapple with it with an enterprising spirit.

Scientists and technicians should make active efforts, along with the masses, to figure out new and original ways capable of hastening the party's decisions ahead of schedule. The producers and construction workers should create, without interruption, new standards and new records in the rewarding battlefields in which the party's decisions have been implemented.

By correctly taking hold of the key to the struggle for realizing the party's decisions at all times and then by concentrating all efforts on it, all sectors and units should fulfill each task pointedly, in a way that bears a close resemblance to a war of extermination.

For the functionaries and working people to bring the party's decisions into bloom, it is also imperative for them to display a revolutionary spirit of persistently carrying out any kind of work, determined to complete it.

Since implementing the party's decision is a struggle to hasten the victory of our revolution ahead of schedule and to bring prosperity to the fatherland and people, there can be no such thing as the slightest wavering or a discontinuation in that struggle.

Revolutionary fighters boundlessly loyal to the party are such that accept the party's decisions as a matter of life and death and then stubbornly keep struggling until they bear fruit.

Functionaries and working people should emulate the indomitable fighting verve of the ten Nagwon party members who, with the revolutionary spirit of arduous struggle, made hand grenades and large water pumps during the war and during the difficult post-war rehabilitation period. Functionaries and working people should fulfill the militant tasks given by the party without fail, according to the daily, monthly, and quarterly indices, by mobilizing all reserves and potential to the fullest extent, standing on the revolutionary stance of self-reliance, which is to resolve everything with one's own strength, even if the higher echelons do not supply the necessities, although it would be better if the higher echelons did supply them.

We should invariably maintain the passion and high spirit with which we renew our loyalty to the party and which burns in our hearts when we are given the party's decisions in the course of carrying out the struggle to accelerate the production and construction. We should highly display the revolutionary trait of unconditionally finishing tasks that need to be done before the end of the day.

In order to brilliantly implement the slogan, "What the party decides, we will do," the entire party, the whole nation, and all the people should rise up as one.

Whenever the party presented such long-term goals as building the prominent Sohae lockgate or the expansive 2,000-li water way, the entire people across the country have risen up to fulfill them. We should keep giving play to such a universal fighting verve.

All sectors and units should fulfill the combat tasks assigned to them, without fail, supply major construction sites with necessary materials and equipment in a timely manner, and briskly carry out the supporting work.

Party Leadership 'Decisive Factor' in Socialism

SK2708045591 Pyongyang Korean Central Broadcasting Network in Korean 0600 GMT 26 Aug 91

[Unattributed Talk: "The Leadership of Our Party Which Is Glorifying the Superior Socialism of Our Own Style"]

[Text] The socialism built in our country is a socialism of our own style which has been chosen, built, and managed by our people themselves, who are advancing under the

banner of the great chuche idea. We cannot find such a reality anywhere else in the world in which people are practically guaranteed genuine freedom and happiness as seen in our socialist system built under the banner of the chuche idea which inculcates that the popular masses are the master of everything and decide everything. There are some primary factors in building and glorifying such a superior and viable socialism. However, the most basic and decisive factor among them is the correct leadership of the party and the leader.

The dear leader Comrade Kim Chong-il has indicated: Because our socialist society is one which has embodied the working class' inherent demand, socialist and communist construction can be achieved only by the leadership of the party, which is the vanguard of the working class.

The party of the working class is not only the guide [hyangdoja] of socialist society, but is also the driving force which reforms society in a revolutionary and communist manner. Therefore, the future of socialism rests with the party's leadership in socialist construction.

Based on his scientific elucidation of the position and role of the party in the socialist society, the dear leader Comrade Kim Chong-il has led the party's leadership to be further strengthened while the socialist construction has been advanced. The vitality of our unique socialism, which is radiating its brilliance on this land today, is precisely the result of this leadership.

In building and glorifying the superior socialism of our own style, our party has firmly taken and grasped it as the primary task to resolutely safeguard, defend, and embody the chuche idea. Because our socialist system is the socialist system of chuche in which the chuche idea has been embodied, defending and embodying the chuche idea is the key to building socialism of our own style and to enhancing its superiority. Our party has vigorously pushed ahead with the struggle to embody the chuche idea in all sectors of social life, firmly grasping it. The wisdom of our party in building and glorifying the superior socialism of our own style finds expression in defending and strengthening the working-class character of the socialist society.

The socialist society is one which has embodied the working class' inherent demand. The working-class principle and interests are the lifeline of socialism. The working class' inherent demand is to oppose individualism and egoism and to completely realize the independence of the masses of working people based on collectivism. Reflected in this are the aspirations and desire of the masses of working people. Such an inherent demand of the working class is completely realized only by assimilating the whole society into the working class.

Based on the elucidation that the course of socialist and communist construction is the course in which class distinction is gradually eliminated and all of society is assimilated into the working class, our party has formed the policy of assimilating all members of society into the working class, taking the working class as the model, and is vigorously pushing ahead the work of assimilating the whole society into the working class while strengthening the revolutionary role of the working class. Thanks to such leadership of the party, the nonworking-class phenomena in all sectors of social life have been eliminated, and the demands and interests of the working class have been theoroughly embodied in the whole society.

Our socialism is a genuine socialism in which the working-class character is further safeguarded, strengthened, and developed. The wisdom of our party in building and glorifying the superior socialism of our own style also finds expression in developing the socialist political, material, and cultural lives alike. The three major fields in social life are the political life, the material life, and the cultural life. The purpose of the revolution and socialist construction of the masses of working people, as well, is precisely to lead an independent and creative life in these three fields. All the people as the masters of the state and society are leading an independent and creative life in all fields—political, economic, and cultural. This is precisely the genuine superiority of the socialist life.

Men want to live in abundance materially, mentally, and culturally. They also want to live and develop as the equal masters of society and with immortal social and political lives. In order for social beings to develop their social lives in conformity with such inherent demands, it is imperative to develop their mental, cutlural, and political lives in accordance with their abundant material life.

Our party has presented a policy to develop socialist lives, among the three fields of the social life, and has vigorously pushed ahead with the works of remaking nature, human remodeling, and social reform. The work of remaking nature, human remodeling, and social reform is designed to liberate the popular masses from all forms of subjugation and restraints and to provide them with social, political, material, ideological, and cultural conditions for their independent lives. It is also a firm guarantee for developing socialist political, material, and cultural lives at the same time. In making socialist lives bloom, our party considers it significant to realize the popular masses' social and political independence and is pushing ahead with the work of remaking nature and human remodeling simultaneously. Also, after firmly giving high priority to the human remodeling work, our party has correctly combined the remaking nature work and social reform and has carried them out simultaneously.

The three remodeling works have been vigorously carried out in our country under the party's leadership. As a result, the socialist system has been further consolidated; the people's status and role as the masters of the state and society have been upgraded in the political, economic, and cultural lives; and our people have come to enjoy the independent political lives, sound material lives, and abundant ideological and cultural lives.

How wise our party's leadership has been in building and brightening the superior socialism of our style is apparent because the main forces of the revolution have been consolidated and their role has been enhanced. The socialist society is built by the initiative and role of the main forces of revolution, a united body of the leader, the party, and the masses, and is consolidated and developed based upon them. Therefore, only when the main forces of the revolution are consolidated and when their role is enhanced by all means, can the socialist society be reliably defended from the maneuvers by all sorts of enemies at home and abroad and can the socialist society's boundless vitality and might be displayed fully.

In consolidating the main forces of the revolution and enhancing their role by all means, our party has always considered it very significant to correctly combine and implement the party's unitary leadership and revolutionary mass line and has carried out this work vigorously. Only when the party's unitary leadership and revolutionary mass line are combined correctly and implemented can socialism become the most democratic society in which socialism eradicates bureaucratism and in which all the policies are carried out in compliance with the popular masses's demand and will for independence. Then it will be the most solid and powerful society in which the popular masses' creativity can be displayed fully.

Socialist democracy exercises dictatorship upon the people's enemy, provides the popular masses with political freedom and rights and happy material and cultural lives, and consolidates cohesion and unity among them. Therefore, under socialism, only when socialist democracy is displayed highly, can the entire society be more firmly united into a social and political organism in which the entire society is united into one around the leader [suryong], and this organism can move actively with independent vitality.

The party's unitary leadership and revolutionary mass line must be combined correctly to fully implement socialist democracy and fully display the popular masses' creativity. By combining the popular masses' demand for independence and their interests and by leading their creative activities in a unified way to carry out this task, the party fully carries out politics in which the popular masses enjoy their status as the masters of state and society and play their role completely.

Our party has considered it to be the principle of its activities to correctly combine the party's unitary leadership and revolutionary mass line. It has attached significance to establishing a revolutionary work system and method, and made every effort to do so. Our party ensures that a work system is implemented thoroughly in which the entire party moves like one under the party center's unitary guidance and in which party committees, as highest offices for guidance, give guidance to all the sectors and units in a unified manner. The great Chongsan-ri spirit and the Chongsan-ri method and the Taean work system implement this spirit and method.

The party's work system, which can thoroughly guarantee the unitariness of leadership and is a concept that our party created, the Chongsan-ri spirit and Chongsan-ri method, and the Taean work system, which implements this spirit and method, are scientific and revolutionary work systems, principles, and methods that most correctly combined the party's unitary leadership and revolutionary mass line in the socialist state and economic management.

The Chongsan-ri spirit and the Chongsan-ri method and the Taean work system, which implemented this spirit and method, have been implemented thoroughly in our country. As a result, bureaucratis and subjectivism have been overcome among the officials, democracy has been displayed to the utmost, and the popular masses' boundless creativity has been displayed fully.

We should further heighten the invincible and attractive power of socialism with the pride and self-confidence that we are building and brightening the superior socialism of our style under the great party's wise leadership.

KCNA Review of 29 Aug Pyongyang Press

SK2908063791 Pyongyang KCNA in English 0501 GMT 29 Aug 91

[Press review]

[Text] Pyongyang August 29 (KCNA)—Papers here today report that Comrade Kim Il-song, general secretary of the Central Committee [C.C.] of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, received a message from Comrade Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba, president of the Council of State and president of the Council of Ministers of the Republic of Cuba, in reply to his message of greetings on the latter's 65th birthday.

Appearing in NODONG SINMUN is news that the great leader President Kim Il-song received a message from the participants in a meeting celebrating the 43rd anniversary of the DPRK founding held in Bulgaria.

The dear leader Comrade Kim Chong-il congratulated the head of the International Liaison Department of the C.C., the Communist Party of China upon his successful Korean visit, says the press.

It is reported in papers that organisations of the League of Korean Youth in Japan under the general association of Korean Residents in Japan explained and propagandized the greatness of Comrade Kim Chong-il to Korean youth overseas through video show.

NODONG SINMUN carries an editorial headlined "Immortal Banner Which Rouses Young People to the Struggle for the Accomplishment of the Chuche Cause on the Letter Sent by Comrade Kim Chong-il to the

Young People Throughout the Country and Workers in the League of Socialst Working Youth (LSWY) on the First Youth Day. [as received without end quotes]

Reaction of young men and women and LSWY workers to the letter is conveyed in the paper. Given in papers are accounts of colorful functions held on this occasion.

NODONG SINMUN carries a message of greetings sent by the C.C., the Workers' Party of Korea to Sam Marcy, chairman of the Workers' World Party of the United States, on his 80th birthday.

An article of the paper says Comrade Kim Chong-il has wisely led the work of strengthening education to enhance national self respect among he party members and working people. The paper reports that South Korean women are studying the chuche idea.

Econews of the press includes reports that many large cargo and fishing vessels have been built and an innovation has been effected in the building of apartment houses in Tongil Street of Pyongyang. Carried in NODONG SINMUN is news that South Korean people and overseas compatriots have warmly supported the inauguration of the pan-national alliance for tiie country's reunification, a meeting was held at the mission of the National Democratic Front of South Korea in Japan on the occasion of the 22nd anniversary of its founding and international organizations issued a joint statement in demand of the release of coed Yim Su-kyong and democratic figures.

The press in a commentary accuses the South Korean authorities of cracking down on the pro-reunification democratic forces.

South Korean news columns of NODONG SINMUN include reports that public circles denounced the authorities' suppression of academic activities and the South Korean newspaper HANGYORE SINMUN criticized the authorities' submission to the United States and cholera is spreading throughout South Korea.

Papers inform the readers that the U.S. imperialists and the South Korean puppets committed provocative ground and aerial war exercises against the northern half of Korea.

Papers convey foreign public voices supporting the statement issued by the spokesman of the DPRK Foreign Ministry on immediately calling negotiation for the conversion of the Korean peninsula into a nuclear-free zone.

NODONG SINMUN runs a commentary condemning U.S. Secretary of Defence Cheney's utterances that the forward deployment of the U.S. troops in the Asia-Pacific region is for "U.S. interests".

Papers report that the chairman of the Japan Social-Democratic Party urged the government to seek an early settlement in the negotiation for the normalisation of DPRK-Japan diplomatic relations, an extraordinary session of the USSR Supreme Soviet was held and an enlarged meeting of the State Presidency of Yugoslavia discussed ways of tiding over the crisis of the country.

A spokesman of the State Council of China declared that the Chinese people would steadfastly advance along the road chosen by them, the Zambian president called for economic cooperation among African countries, the leader of the Iranian Islamic Revolution called upon the government to eliminate poverty and India captured a South Korean fishing boat, says NODONG SINMUN.

An article of the paper says that "democratic capitalism" advertized by Bush and other rulers of imperialist countries is a false propaganda.

South Korea

No Tae-u Predicts Collapse of North Regime

SK2908032691 Seoul THE KOREA HERALD in English 29 Aug 91 p 2

[Text] President No Tae-u predicted yesterday that the Communist regime in North Korea will collapse as in East European countries and the Soviet Union, a presidential spokesman said.

"North Korea will not be able to turn its back on the irresistible global wave of reform, "No was quoted as saying during a meeting with members of the presidential advisory council on unification.

He said he expects changes in the North following the political upheaval in the Soviet Union and the two Koreas' upcoming entry into the United Nations.

No, however, fell short of predicting when the two Koreas will be unified. He previously said, on several occasions, that unification will come before the turn of the century.

Many experts on North Korea have said what is happening in the Soviet Union must have stunned North Korean authorities.

The North Korean propaganda machine has repeatedly stressed the necessity to "protect socialism" in the wake of the demise of the Communist Party in the Soviet Union.

"With Communist systems coming down in East European countries and even in the Soviet Union, who can believe that North Korea will continue to maintain the discredited system?" the President said.

He was meeting with some 800 overseas Korean members of the Advisory Council on Democratic and Peaceful Unification, presidential spokesman Yi Su-chong said.

No called South and North Koreas' admission into the United Nations as separate members an "interim measure" till the eventual reunification.

"It is regrettable that we enter the world body not as one member but as separate members. But it is only an interim measure we should undergo till the eventual reunification," he said.

He stressed that the two sides should carry out "genuine dialogue" on the basis of mutual recognition.

"There no longer exists outside obstacles to our unification," No said. "My conviction is that the unification will be realized by our own efforts and strength."

Foreign Minister Yi Sang-ok, on a different session, said the North appears to be experiencing difficulties in revising its policies toward the South.

He noted that Pyongyang is sending conflicting signals on whether it intends to allow international inspection of its nuclear facilities and that it has delayed the fourth round of inter-Korean prime ministerial talks originally slated for late this month.

"These may be signs of internal conflicts and the difficulties the North is suffering in resetting its basic strategies toward the South," he said in his speech at a luncheon meeting with business leaders affiliated with the Federation of Korean Industries.

Yi said Seoul will exert all possible diplomatic efforts to realize international surveillance of the North's nuclear development projects.

Pyongyang is to come before the International Atomic Energy Agency board of governors' meeting in Vienna Sept. 11 to sign the safeguards accord.

Yi also said the South will continue to strive to draw Pyongyang toward effective, realistic confidence-building measures and sincere dialogue and exchanges.

Official Wants Entry of Delegates Through North

SK2908082291 Seoul YONHAP in English 0755 GMT 29 Aug 91

[Text] Seoul, Aug. 29 (YONHAP)—South Korean Vice Foreign Minister Yu Chong-ha asked North Korea Thursday if it will allow delegates to a Group of 77 ministerial meeting Sept. 7 in Pyongyang to go through the truce village of Panmunjom.

Yu sent a letter demanding that the North let the southern delegates to the 7th Asian ministerial meeting and journalists pass through Panmunjom on Aug. 20.

He is to head the South Korean delegate.

Yi Chong-ku Views Decreasing Importance of U.S.

SK2908085991 Seoul YONHAP in English 0847 GMT 29 Aug 91

[Text] Seoul, Aug. 29 (YONHAP)—Defense Minister Yi Chong-ku said Thursday that the confrontation between South and North Korea would last until 1995 and peaceful co-existence and arms reduction would be possible only after 1996.

In a lecture at the National Defense College, Yi predicted reunification of the Korean peninsula after 2000.

One of the most outspoken and self-assured cabinet ministers, Yi hinted Korea would put less weight on relations with the United States and Japan after reunification and more on relations with the Soviet Union and China.

"The relative importance of South Korea's relations with the Soviet Union and China will continue to grow even after reunification, while Seoul-Tokyo relations are expected to keep improving until reunification and then take a downward path.

"The importance of our relations with the United States will continue to decline in line with the Koreanization of the nation's defense," he said.

Impact of Soviet Upheaval on North, South

SK2808134491 Seoul HANGYORE SINMUN in Korean 28 Aug 91 p 2

[Editorial: "What Will Be the Future of the Korean Peninsula? A National Problem Ensuing From the Upheaval in the Soviet System"]

[Text] Some media call the developments in the Soviet Union "a second revolution." The Russian revolution, which was kindled in 1905 and brought about the downfall of the czarist system in 1917, gave birth to the first socialist state in the world, filling the capitalist states with horror. However, those who regard as "revolution" the dismantling of the Communist Party and the rise of the political force called radical reformists, which is heading for capitalism, cannot help feel happy and victorious. This is in sharp contrast to the horror felt 74 years ago.

Some capitalist countries, seeing on television Lenin's statue falling to the ground in the Soviet Union—which is called the "motherland" of the socialist revolution—declared the downfall of communism. However, there are countries like China and North Korea, which are determined to defend the Communist Party regimes or workers' party by further strengthening the socialist system.

The upheaval in the Soviet Union is certain to influence the future of the Korean peninsula deeply and extensively. Whether the Korean nation wants it or not, the

crucial events in August 1991 will bring about great political, economic, and military changes on the ideological map of the world.

It is not certain if the Communist Party, which ruled the Soviet Union for 70 years, will disappear completely or whether it will survive as a party with a different name and attempt to regain power. However, with the general trend of the central power being transferred to Yeltsin, who stopped the coup d'etat with his own body, it is anticipated that the capitalist "reform" of the Russian Republic and other Soviet republics will be accelerated.

Some experts predict that if many of the 15 Soviet republics declare independence and establish diplomatic relations on their own, the "union of sovereign states" led by the Russian Republic headed by Yeltsin will be incorporated into the hegemonistic periphery of the United States and follow the antisocialist way and will receive economic assistance from it. If Gorbachev should fail to retain his position as president on election day, scheduled for 2 September when the Soviet congress of the people's delegates will be held, the "reforms" toward capitalism led by Yeltsin will be further expedited.

If Gorbachev forms a new party with a social democratic platform, helped by the Communist Party organizations and the moderate factions, and manages to break Yeltsin's spirit, history may take a different course. However, there is not much chance of this happening.

The fall of the Soviet system means an automatic breakup of the Soviet-North Korean alliance.

If a new Russia denying socialist homogeneity should declare the United States, the European Community, and Japan as its allies, North Korea and China could be defined as hostile to it or as hypothetical enemies. Should this happen, peace in Southeast Asia will be drawn into a whirlpool of instability, resulting in the strengthening of the Chinese-North Korean relations. This will lead to a tough South Korean stand to cope with it.

This should not happen. It is not only fundamentally counterproductive to the coexistence and reconciliation that Gorbachev so passionately pushed forward, but will also drive the world into a new cold war era.

China and North Korea seem to be feeling an extraordinary sense of impending crisis in the wake of the abortive coup in the Soviet Union. This feeling will not be overcome if they take an instinctive defensive posture, like a snail pulling its head into its shell. China has the same problems that afflicted the Soviet Union: bureaucracy, corruption, low productive labor system, and chronic shortage of daily necessities and consumer goods. North Korea too has an authoritarian ruling system, underdeveloped production facilities, and shortage of capital, which is essential to survival in international economic competition. These weak points in China and North Korea can hardly be eliminated by giving the people intense political indoctrination and propaganda. They can be resolved only through these countries' own wholesome reforms.

The upheaval in the Soviet Union is likely to shock not only North Korea but also the national and mass movements and the progressive intellectuals in South Korea, as well as seriously affecting the climate of intellectual debate and discussion. The radical groups will worry that if North Korea assumes a defensive posture and closes the door of North-South exchange, the reunification movement will suffer a setback. The majority of the progressive intellectuals who called for the introduction of merits of the socialist theory to overcome political oppression and economic inequality may fall into an ideological nihilism at witnessing the soviet system shake at its foundation.

However, in the face of all these tempestuous developments, those who believe in the power of reason should practice freedom of thought and expression and independently probe the way to solve the national conflict and systematic shortcomings from which the North and the South on the Korean peninsula suffer.

Delegation To Visit Moscow, Discuss Situation

SK2908045891 Seoul YONHAP in English 0235 GMT 29 Aug 91

[Text] Seoul, Aug. 29 (OANA-YONHAP)—A five-member South Korean Government delegation will visit Moscow next week to discuss pending bilateral issues, including a 3 billion-U.S.-dollar economic aid package, and to study the political situation, the Foreign Ministry said Thursday.

The delegation, headed by First Assistant Foreign Minister Chang Man-sun, includes officials from the Economic Planning Board [EPB], Trade and Industry Ministry, Agency for National Security Planning and the presidential office, the Ministry said.

The decision was made Wednesday afternoon by the foreign, national unification, EPB, defense and other ministers in a meeting presided over by Deputy Prime Minister Choe Kak-kyu.

The delegation will leave on Saturday and stay about a week to meet with Soviet and Russian officials. It will meet with Russian Republic President Boris Yeltsin and formally deliver a government invitation to visit Seoul.

The delegation will discuss pending political and economic issues, including Korea's recognition of the Baltic states and the aid Seoul and Moscow agreed on in January, Ministry officials said.

In Wednesday's meeting, it was also agreed the Seoul-Moscow fisheries agreement should be signed as soon as possible. A delegation will go to Moscow Sept. 17, and the agreement is likely to be signed then.

The government plans to draw up an overall policy directive on the Soviet Union based on the delegation's

report and the Foreign Ministry reportedly plans to send an envoy to each republic after the delegation returns.

Albanian Officials Interviewed on Economics

SK2908085091 Seoul YONHAP in English 0822 GMT 29 Aug 91

[Text] Tirana, Aug. 29 (OANA-YONHAP)—Albania, the latest East-bloc nation to normalize ties with South Korea, is looking to its new capitalist partner for advice, knowledge and investment in overhauling its agrarian policy.

Naske Afezolli, vice minister for foreign economic relations, told YONHAP News Agency in a recent interview that Albania was seeking advice and knowledge from fast growing economies such as Korea and that Seoul and Tirana should build a strong basis for bilateral economic cooperation. He also called for investment in trade, industry and technology.

Albania planned to overhaul its agricultural policy and to liberalize farm operations, Afezolli said, asking for Korean investors to take special interest in this area.

A long-time ally of North Korea, Albania normalized relations with South Korea on Aug. 22. It was the last East-bloc nation to recognize Seoul.

Technology in Albania was outdated, the vice minister said, having been brought in from China and the Soviet Union in the 1950s and 1960s.

Albania has already given South Korea the green light to enter its market and hopes to conclude investment protection agreements in the near future.

Ligor Dhamo, president of the Albanian Chamber of Commerce, also said agricultural technology cooperation was one of the most desired projects.

In a separate interview, Dhamo noted the gravity of Albania's agricultural plight and expressed hope that Korea could provide aid in equipment and technology.

Albania also desires active Korean investment in footwear and apparel, Dhamo told YONHAP.

His country's economic aim was complete reconstruction, he said, and Albania was pursuing fast, bold reforms in light of the experiences of its east-bloc neighbors.

Korea, Dhamo said, was a suitable partner to convey such experiences.

In return for its investment, Korea would be able to make use of Albanian labor and its proximity to Western Europe to expand its market, the chamber president predicted.

He also held out his country's rich resources of copper and other natural minerals as a major attraction for Korean firms.

Yi Sang-ok Speaks on GATT, Regionalism

SK2908032391 Seoul THE KOREA TIMES in English 29 Aug 91 p 2

[Text] Foreign Minister Yi Sang-ok vowed yesterday that Korea will go all-out in its efforts for the successful settlement of the on-going Uruguay Round negotiations.

"Our country which is export-oriented will lose our overseas markets, a source of our wealth, if the multilateral trade negotiations aimed at sustaining free trade fail," Yi warned in a speech at a luncheon meeting hosted by the Federation of Korean Industries (FKI). The organization of major businesses observed its 30th anniversary this week.

Yi said, "The government will exert efforts for the successful conclusion of the Uruguay Round negotiations, while dealing with negotiations on agricultural markets in a judicious manner."

"If the Uruguay Round negotiations fail, Korea will see the erection of protectionist barriers in other industrial sectors where our country has a competitive edge," he added.

He did not elaborate on that statement but his remarks are interpreted as meaning Korea might make concessions in the negotiations on the agricultural sector.

Korea has come under renewed pressure to make concessions in opening its agricultural markets, with rice being a major bone of contention in the Uruguay Round negotiations.

Yi pointed out that tremendous changes in economic situations over the past decade pose difficulties to the Korean economy. He said that free trade which has played a key role in expanding global economy during the post-war era is facing a serious challenge from protectionist trends.

The end of Cold War confrontation has led to fierce economic competition among all countries across the world. With the disappearance of the 'common enemy' of the free world, economic solidarity among market-oriented Western countries have loosened to a great extent.

"As a result, globalism is being challenged by regionalism and multilateralism and free trade by bilateralism and protectionism," said Yi.

He went on that regional economic blocs are about to emerge all over, citing the birth of the single EC market in 1993 and moves to form a free trade bloc among the United States, Canada and Mexico.

"Members of these regional economic groups declared that they will advocate the spirit of GATT based on free trade, but, unlike their intentions, they might develop into protectionist regionalism in the long run," said Yi.

Yi stated, "It is clear what we must do in the face of the new economic situation. We will continue to support free trade, globalism and multilateralism rather than protectionism and regionalism."

Along this line, Korea will play a positive role in invigorating various international economic organizations, said Yi.

He also said that the government will positively consider joining the Organization for Economic Cooperation and Development (OECD), the club for wealthy nations. Official contacts with the OECD have already begun for Korea's admission to it, said Yi.

As for the future course of the Asia-Pacific Economic Cooperation (APEC), Yi said the government will make efforts to lay the groundwork for APEC to put to action its principle of openness during the APEC ministerial meeting in Seoul this November.

Touching on the current upheavals in the Soviet Union following an abortive coup, Minister Yi said that the developments last week showed how fast and easily the international climate can change and how much Korea is affected by situations in neighboring countries.

Yi said he believes the Soviet Union's return to Cold War confrontation is impossible.

"Glasnost and perestroyka now advocated by the Soviet Union mean the pursuit of democracy and a market-oriented economic system. The free market economies have spread globally as the Soviet Union and other socialist countries are reforming their economies. This means fiercer economic competition," he added.

Foreign Minister Yi Sang-ok Supports APEC

SK2908041291 Seoul YONHAP in English 0457 GMT 28 Aug 91

[Text] Seoul, Aug. 28 (OANA-YONHAP)—The Asia-Pacific Economic Cooperation (APEC) should grow into a regional umbrella to protect against emerging economic blocs, South Korean Foreign Minister Yi Sang-ok said Wednesday.

The foreign minister echoed his reserve about a recently proposed multilateral security negotiations in the Asia-Pacific region, saying the current arrangement with the United State serving as the center has proved effective.

Yi made the points in his speech on international changes and South Korea's economic diplomacy during a luncheon meeting organized by the Federation of Korean Industries.

Commenting on APEC, whose third ministerial meeting opens in Seoul in November, the foreign minister said it should serve as an umbrella over regional cooperation and effectively guard against economic blocs. APEC, he said, would be dedicated to international free trade.

North Korea is sending vague, conflicting signals on whether it intends to sign the nuclear safeguards accord and has delayed the fourth round of inter-Korean prime minister's talks, Yi noted.

"These signals point to internal conflicts within North Korea and its difficulties in resetting basic strategies toward the South," the foreign minister said.

Making sure that North Korea signs the nuclear safeguards accord in September is South Korea's key diplomatic aim, and his government will continue to draw Pyongyang toward effective, realistic confidence-building measures and sincere dialogue and exchanges, Yi said.

North Korea at the last minute delayed the fourth inter-Korean prime minister's talks, initially scheduled for this week, to October. Pyongyang is to come before the International Atomic Energy Agency Board of Governors' meeting in Vienna from Sept. 11 to sign the safeguards accord.

Seoul Considers Hyundai, Sammi Strikes Illegal

SK2908053591 Seoul YONHAP in English 0519 GMT 29 Aug 91

[Text] Seoul, Aug. 29 (YONHAP)—The government regards strikes at Hyundai Heavy Industrial Co. in Ulsan and Sammi Steel Co. in Changwon as illegal and considers mobilizing police force to end the walkout, officials at the Labor Ministry said Thursday.

Union demands that Hyundai reinstate 34 former union leaders dismissed since 1987 were not open to negotiation, they said.

The government would continue trying to solve the problem through dialogue, but the police would go in the moment there was violence, one of the officials said.

Despite prohibition by law, workers struck Sammi's Changwon plant Thursday [29 August] following a rupture of negotiation over wage and collective bargaining rights, so the Ministry will act strongly and mobilize law-enforcement forces, he said. Sammi is forbidden to strike as it is a defense contractor.

Sammi makes 80 percent of the special steel produced in Korea. A strike at Sammi would deal a serious blow to 32 subcontractors and the entire machinery industry, he said.

The Ministry has asked the unions of the two companies to refrain from "unreasonable" demands for reinstatement of union leaders and a disciplinary committee with equal numbers of union and management members.

The morning shift at Hyundai reported at 8 A.M. and was at work by noon. They plan to down tools in the afternoon. Most of the 18,000 workers went on a strike Wednesday [28 August].

Union leaders plan a "silent demonstration" at 1 P.M. and a rally at 3 P.M.

They will, however, plan to allow 1,000 workers at some sections such as the special ship department to work overnight while another 1,000 union members will participate in the repairs of roads destroyed in the wake of Typhoon Gladys in the afternoon.

The union says it will allow a partial operation in some departments during the industrial action while continuing negotiations with the management. It threatens to go on a general strike if negotiations to reinstate dismissed union members failed.

Kirghiz Plans Joint Venture Electronics Factory

SK2908040891 Seoul YONHAP in English 0055 GMT 29 Aug 91

[Text] Seoul, Aug. 29 (OANA-YONHAP)—Korea General Chemical Corp. And Kirghiz Republic of the Soviet Union will set up a joint-venture factory in South Korea to produce rare-earth elements widely used in the electronics, optics and metallurgy industries, the Trade and Industry Ministry said Thursday.

They will sign a contract in Kirghizia in October, it said.

Equity ratio and other details have yet to be settled, but general chemical will spend 45 million U.S. dollars for construction and for research and development, and the Soviet Republic will provide ores and technology, it said.

The joint venture will have an annual import substitute effect of 40 million dollars from 1993, when the factory is completed, The Ministrty said.

The ores of such elements as scandium, yttrium and lanthanum are vital to manufacturing Braun tubes, heat-resistant alloys and nuclear reactors.

Kirghizia is second to none in rare-earth elements and basic technology.

Ministry Says Companies Leaked Pollutants

SK2908030691 Seoul THE KOREA TIMES in English 29 Aug 91 p 3

[Text] A total of 258 companies have leaked harmful substances into sources of tap water over the past month, the Environment Ministry said yesterday.

Ministry official said inspections were conducted on 2,249 industrial firms during the month of July and complaints have been filed against 92 of the 258 offenders.

In one of the cases, a company had stacked up over 390 tons of industrial waste near its premises without conducting even primary treatment.

Industrial firms which were not operating their waste treatment facilities properly were ordered to make technical corrections while others were let off with warnings.

Feuding DLP Factions Interpret No's Remarks

SK2908022491 Seoul THE KOREA HERALD in English 29 Aug 91 p 2, 3

[The "Out and About" column: "DLP Power Race]

[Text] The recurring fuss surrounding the ruling party's next presidential candidate has had to do with reading President No's lips.

The feuding factions of the ruling Democratic Liberal Party [DLP] never hesitate to take "poetic license" in order to make their boss' remarks sound more favorable to them.

So when President No stressed "party unity around the executive chairman" as the only way to achieve the goal of "power succession" during a Chongwadae luncheon with senior Democratic Liberals Tuesday, factional imagination shifted into high gear—centering not on how to interpret the term "power succession."

The version put forth by followers of Executive Chairman Kim Yong-sam was "succession to power by their mentor," as was interpreted by Rep. Hwang Pyong-tae, Kim's main brain trust.

"President No used Tuesday's meeting as an occasion to let the party members, including rank-and-file members, know his intention on the party's next standard-bearer," Hwang said.

Anti-Kim factionalists thought the opposite and said that the President simply emphasized party unity.

"His remark contains nothing special (about the future successor to power)," Rep. Kim Yong-chae said attaching little significance to President No's statement.

Actually too much imagination appeared to get Hwang into trouble, as the press carried his words and even members of Kim's faction criticized them as "unwarranted interpretations."

Rep. Sin Kyong-sik, chief secretary to the executive chairman, reportedly blamed Hwang, on Kim's behalf, for stirring up a fracas in the faction-torn ruling party.

"There is no point in making fuss over such trivial matters," said First State Minister Choe-Hyong-u, Kims' close confidant, apparently noting that such controversy will not help Kim in his face for the presidency.

But party sources said the true reason for blaming Hwang is that his remarks betrayed the rising euphoria among Kim's faction members over a recent string of remarks by President No which they think brings Kim's dream close to reality.

They note that President No's usual "democratic procedures" were conspicuously absent in his recent statements on how to pick the DLP's next candidate for the presidential election due toward the end of next year.

President No had hinted through Choe Yong-chol, presidential advisor on politics, late last month that the ruling party's next presidential candidate would be chosen via "free competition."

Instead, the President recently used the term "power succession" and emphasized 'reasonable procedures" in picking the one who will bear the DLP's standard in the next presidential election, which sounds favorable to Kim. Despite Kim's unmatched influence within the ruling party, Kim's faction remains a minority.

As the recent reports quoted some of Kim's followers as saying that "the next presidency is in the palm of Kim's hand," Kim reportedly instructed his followers to "keep a quiet tongue in their heads and smother any smiles."

Companies Develop Special Steel for Pipes

SK2908041091 Seoul YONHAP in English 0137 GMT 29 Aug 91

[Text] Seoul, Aug. 29 (YONHAP)—Pohang Iron and Steel Co. and Hyundai Pipe Co., two South Korean companies, have jointly developed hot-rolled steel coil for pipes to be used in areas of extremely low temperature such as Siberia and Alaska, industry sources said Thursday.

The coil, called "API (American Petroleum Institute) 5lx70," can endure temperatures of minus 50 to 60 degrees celsius and has superior resistance to erosion by hydrogen sulfide.

South Korean pipes made from the steel are expected to be used in natural gas pipelines running from Siberia to Japan via the Korean peninsula, the sources said.

The new steel is also expected to enable Korea to take a slice of the special pipe market, currently monopolized by Japan, they said.

Government To Start 'Hunt' for Illegal Aliens

SK2908083291 Seoul YONHAP in English 0816 GMT 29 Aug 91

[Text] Seoul, Aug. 29 (YONHAP)—South Korea will start a month-long hunt for illegal aliens in September and intensify screening of Southeast Asian visitors, the Justice Ministry said Thursday.

The ministry, which estimates there are at least 10,000 foreigners working in Korea without work permits, will check up on them in cooperation with the Police and Labor Affairs Ministry, a spokesman said.

Immigration controls will be tightened for people from China, Sri Lanka, Bangladesh, the Philippines, Indonesia, and other Southeast Asian nations, including ethnic Koreans, in order to weed out those seeking illegal work, he said.

The ministry will submit an amendment to the Immigration Control Law to the National Assembly asking for the power to fine or imprison Koreans who hire illegal aliens, he added.

Brunei, Malaysia & Singapore

Malaysia

Minister Optimistic on Philippines Dropping Claim

BK2608133191 Kuala Lumpur NEW STRAITS TIMES in English 24 Aug 91 p 5

[Text] Kota Kinabalu, Fri.—Foreign Minister Datuk Abdullah Ahmad Badawi is optimistic that Philippines Government will drop its claim over Sabah in time.

"It is only a matter of time," he told reporters before leaving for Kuala Lumpur after a two-day visit to the State.

He said the Philippine Government had "some problems" with the Senate on the matter.

"They know our stand and I am sure the Philippines Government value its relationship with Malaysia," he said.

Datuk Abdullah said Malaysia will remain patient and will wait for the Philippines Senate to iron out its problems on the matter.

"The point is the Philippines Government recognised the legitimacy and validity of our claim."

He said as members of ASEAN, Malaysia and the Philippines were enjoying a good and cordial relationship.

Datuk Abdullah said he was not aware of any move by the Philippines Government to set up a consulate here in view of the large numbers of Philippines nationals in the State.

Philippines Ambassador to Malaysia Pablo Suarez had during a visit to Kota Kinabalu late last year said that the Philippines is seriously considering about setting up a consulate in Sabah.

"We are not aware of that and they (Philipines Government) have not approached us on the matter," Datuk Abdullah said.

It is believed that there are about 300,000 Filipino immigrants in Sabah, most of whom are working as labourers in the construction and the plantations sectors.

Ghafar Meets Kuwaiti Emir, Premier, Businessmen

BK2808072591 Kuala Lumpur Voice of Malaysia in English 0600 GMT 28 Aug 91

[Text] Kuwait has thanked Malaysia for its strong support to international efforts to free the Emirate from Iraqi occupation. The emir, Shaykh Jabir Al-Ahmad Al Sabah, and Prime Minister Shaykh Sa'ad Al-Abdullah Al Sabah conveyed Kuwait's appreciation for Malaysia's role in the United Nations to Deputy Prime Minister Ghafar Baba, whom they met separately at the (Bayan) Palace.

Mr. Ghafar is on a three-day official visit to Kuwait with a 48-member business delegation. He told Malaysian journalists accompanying him that his visit to Kuwait with the businessmen was timely in the wake of the Emirate's massive reconstruction plan.

During business meeting between the Malaysian group and Kuwaiti importers and traders, many enquiries were received especially for the purchase of goods urgently needed in the Emirate such as foodstuff, home appliances, and building materials.

UMNO Takes Over Front's Administration Work

BK2608132991 Kuala Lumpur NEW STRAITS TIMES in English 24 Aug 91 p2

[Text] Kuala Lumpur, Fri.—All administrative work of the Barisan Nasional [BN, National Front] at the national level will be managed by UMNO [United Malays National Organization] headquarters from today.

To facilitate the move, UMNO's executive secretary Yaakob Haji Mohamad has assumed the dfpost of executive secretary of BN. He took over the functions of Encik Nasaruddin Alang Saidin who was BN's acting executive secretary.

UMNO Secretary General Datuk Mohamed Rahmat, in announcing this today, said the decision was endorsed by BN's working committee at a meeting recently.

"The decision was takend to cut administrative cost reduce manpower and eliminate duplication of duties. Involving only administrative work, the move is to ensure that BN's machinery is more active," he told reporters after meeting 133 UMNO division secretaries here. He said the move should not be construed as UMNO taking over BN.

He added that the move was only an extension of what had been done at the branch, division and parliamentary constituency levels.

Meanwhile, Encik Yaakob said the move would not mean retrenchment of staff at the BN headquarters.

"They will work together with the UMNO headquarters staff. This will save BN from having to hire new people to handle any increase in workload since half of the burden will be borne by UMNO staff.

"BN's headquarters will also remain at the 8th floor of Menara Tun Hussein Onn while I and the staff involved will move between the two headquarters whenever necessary," he said.

Defense Firms To Come Under One Body

BK2708084391 Kuala Lumpur NEW STRAITS TIMES in English 23 Aug 91 p 3

[Text] Kuala Lumpur, Thurs.—The Defence Ministry plans to bring all Government-owned companies

involved in defence production under one umbrella body, its Minister, Datuk Sri Najib Tun Razak said today.

This move would enable the operations of these companies to be tuned to meet the specific requirements of the armed forces, he said.

He added that this move would also allow bigger capital injection and beefing up of the management teams of these companies to optimise production and provide better career prospects for the staff.

"We are now reviewing the local defence industry to consolidate ownership and management of military facilities under one umbrella body," said Datuk Sri Najib.

He was speaking to reporters after visiting SME [Syarikat Malaysia Explosives] Tools Sdn. Bhd. [Private Limited] a subsidiary of Syarikat Malaysia Explosives Sdn. Bhd. in Sungai Buloh, about 30km from here.

Besides SME Tools Sdn. Bhd. which produces the Steyr AUG A1 assault rifles under licence from Austria for the Armed Forces, the Ministry has also invested in Syarikat Malaysia Explosives (SME) Sdn. Bhd., Airod Sdn. Bhd. and the Royal Malaysian Navy [RMN] dockyard in Lumut.

Syarikat Malaysia Explosives Sdn. Bhd. is involved in the production of, among others, small calibre ammunition while Airod Sdn. Bhd. is dealing with the overhaul, repair and servicing of aircraft.

The RMN dockyard which is expected to be a commercial enterprise beginning next year would offer a wide range of services including ship repairing and servicing.

Datuk Sri Najib also said the umbrella bodys would be in a better position to plan the development of the defence industry to support more effectively the needs of the Armed Forces.

He said a study on the setting up of the umbrella company was expected to be completed in six months.

Meanwhile, Syarikat Malaysia Explosives Sdn. Bhd. chairman, Datuk Nasruddin Bahari, said the local content in the production of the Steyr AUG A1 rifles would be gradually increased from the present 52 per cent.

"By 1994, the rifle will be entirely local in content except for the optical sight as it is cheaper to import it," he said.

Datuk Nasruddin, who is also the Defence Ministry secretary-general, said the company had invested $43 million in the rifle project.

He said SME Tools Sdn. Bhd. (SMET) would also go into the production of large calibre ammunition next year. The company had received enquiries from several countries interested in purchasing the rifles.

Radio Hails Government Trade, Economic Progress

BK2808105991 Kuala Lumpur Voice of Malaysia in English 0800 GMT 28 Aug 91

[Station commentary]

[Text] Traders have come Malaysia's way for its trade policies. It is being regarded as a growth-oriented nation with policies supporting foreign trade. Also it has created a conducive climate encouraging foreign investors. The world competitive report 1991 describes Malaysia as a rising star and places it in third place after Singapore and Hong Kong in terms of trade confidence. This was being possible due to the government's pragmatic approach in the implementation of the long-term development plan.

After the recession of the mid-80s aggressive measures were taken to boost foreign investment in the country. The government fully realized that it could not continue depending on agriculture which is subject to violent price fluctuation. Therefore, the manufacturing sector was given a tremendous boost with the private sector taking over as they need energy of growth. In line with this, a bold and unprecendented step was taken by the government to liberalize foreign investment guidelines. The avalanche began thereafter. Massive foreign investment to the tune of billions of ringgit poured into the country. The result was that of a transformed Malaysia. While other countries grappled with their economy, Malaysia in contrast, experienced a vigorous recovery in 1987. This was led by the boom in the manufacturing sector. Economic activity accelerated further after that.

The government continued to provide immense facilities to encourage foreign investment. Although the New Economic Policy has ended as of last year, the government has given the assurance that investment policies would continue to be effective to investors. They have no reason to worry. After all, Malaysia has one of the fastest growth rates in the region.

The economic success achieved by Malaysia has a lot to do with the country's political stability. If anything, foreign investors regard political stability as the single major factor influencing their investment decision. In view of all this achievement, Malaysia stands at the dawn of an exciting economic era. In this last decade of the century, Malaysia is entering a period of unprecedented economic opportunity. Foreign and local investment is projected to reach 25 billion ringgit to 30 billion ringgit by the end of next year. But given the competitive nature of international economics, Malaysia knows better than to rest on its laurels. Only recently the government launched the Vision 2020 which is aimed at enabling Malaysia achieve the status of a developed nation by then. This further demonstrates the continued dynamism of Malaysia, the government and its people. Yet as a nation, the country has not even begun to exploit the real potential of its fantastic human resource means. This would be its competitive edge in the world economy.

To this end the nation is preparing a big privatization program to be completed by the end of this century. All this boils to one thing and that is Malaysia is on the right path towards further economic progress. Its social and political stability, consistent and reassuring policies, and disciplined work force is testimony to its economic success.

Thus, Malaysia has worked hard to get high marks for its trade policies. Slowly but surely, Malaysia is on the way in staking its claim as a developed nation in the not-too-distant future.

Singapore

Philippine Armed Forces Chief Calls on Premier

BK2608150391 Singapore Singapore Broadcasting Corporation in English 1100 GMT 26 Aug 91

[Text] The chief of staff of the Philippine Armed Forces, General Lisandro Abadia, called on the prime minister, Mr. Goh Chok Tong at the istana [palace] this morning. He also called on the defense minister, Dr. Yeo Ning Hong, and Singapore's defense chief, Lieutenant General Winston Choo, at the Mindef [Ministry of Defense].

General Abadia is here on a four-day official visit. During his visit, he will visit SAF [Singapore Armed Forces] units, [words indistinct] industry of Singapore, and attended graduation ceremony for Singapore's [words indistinct].

Defense Minister Meets Australian Navy Chief

BK2808130091 Singapore Singapore Broadcasting Corporation in English 1100 GMT 28 Aug 91

[Text] The Australian Chief of Naval Staff, Vice Admiral Ian MacDougall, called on Second Minister for Defense Dr. Lee Boon Yang at Mindef [Ministry of Defense] this morning. Admiral MacDougall is in Singapore for a three-day official visit at the invitation of Commodore Teo Chee Hean, the SAF [Singapore Armed Forces] Chief of Navy. Mindef said the visit reflected the warm and friendly ties between Singapore and Australia. Both countries are members of the Five-Power Defense Arrangement.

Diplomatic Relations Established With Micronesia

BK2808133091 Singapore THE STRAITS TIMES in English 28 Aug 91 p 21

[Text] Singapore has established diplomatic relations with the Federated States of Micronesia.

A statement from the Ministry of Foreign Affairs said the two governments wish to strengthen and develop friendly ties and have agreed to set up diplomatic relations at ambassadorial level as of Monday [26 Aug].

Micronesia is a group of islands in West Pacific Ocean, east of the Philippines.

Cambodia

Vietnam To Invite Sihanouk for Visit

BK2908130091 Hong Kong AFP in English 1237 GMT 29 Aug 91

[Text] Phatthaya, Thailand, Aug 29 (AFP)—Vietnam will invite Prince Norodom Sihanouk, the head of Cambodia's Supreme National Council (SNC), to visit Hanoi, sources close to Cambodian peace talks here said Thursday.

In a further sign of progress towards a settlement ending Cambodia's 13-year-old war, a senior Vietnamese official will meet the former Cambodian monarch in this Thai seaside resort to convey the invitation, the sources said.

Vietnam backs the Phnom Penh Government. The prince, while having adopted a neutral position since he became SNC head earlier this year, was the long-time leader of a guerrilla coalition fighting to topple the Cambodian Government and dominated by the Chinese-backed Khmer Rouge.

Vietnam's Deputy Foreign Minister Nguyen Dy Nien, here to monitor the SNC meetings, is to have a meeting with Prince Sihanouk on Friday. The SNC is an interim governing body made up of Cambodia's warring factions.

The sources said Nien also held talks Wednesday with his Chinese counterpart, Xu Dunxin.

Xu is here to represent his country at meetings of United Nations Security Council permanent members—Britain, China, France, the Soviet Union and the United States—to evaluate the latest developments in Cambodia's peace process.

The SNC has reached agreement during the talks on the demobilisation of the rival forces and on giving Prince Sihanouk the final say when the body, whose decisions are normally by consensus, is deadlocked.

Japanese Diet Member Sends Thanks to Chea Sim

BK2808094791 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 26 Aug 91

[Text] Comrade Chea Sim, chairman of the State of Cambodia's National Assembly, recently received a message of thanks from His Excellency Mutsuki Kato, member of the Japanese Diet and president of the Japanese Liberal Democratic Party's Political Research Council.

The message read: I would like to thank Your Excellency for the warm and generous hospitality provided to the delegation of the four parties—the Liberal Democratic Party, the Socialist Party, the (Komiko) Party, and the Socialist Democratic Party—representing the Japanese Diet during its visit to Phnom Penh. We appreciate that

Your Excellency made arrangements to receive us despite your active preoccupation. All of us as well as Japan ardently hope that peace in the region will be restored as soon as possible.

In hopes of seeing the relations of friendship between Cambodia and Japan further develop, I wish to express to Your Excellency my highest regards and profound gratitude.

Sihanouk Message to UN Secretary General

BK2908081391 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 28 Aug 91

["Text" of "message from Samdech Norodom Sihanouk, chairman of the Cambodian Supreme National Council, to the UN Secretary General"; dated 26 August—read by announcer]

[Text] Your excellency:

The Cambodian Supreme National Council [SNC] would like to express to you, and through you to the entire UN Security Council [UNSC], sincere thanks and great joy at the dispatch of a survey team to Cambodia at the request stated in my message of 16 July 1991.

During its mission in Cambodia, the UN survey team, led by His Excellency General Timothy Dibuama, received and will continue to receive warm reception and full cooperation from all Cambodian parties. The SNC wants the SNC decision on the cease-fire and the cessation of foreign military aid fully implemented by all parties involved in the Cambodian conflict and also wants to further advance the UN peace process.

Your excellency, please strive to find all necessary measures to dispatch at least 200 UN personnel and observers to Cambodia in September 1991 as the first step within the framework of a comprehensive solution to cooperate with the SNC in supervising the cease-fire and the cessation of foreign military aid.

With the hope that our above request would receive a favorable answer from your excellency, please accept once again my high consideration.

[Signed] Norodom Sihanouk, chairman of the Cambodian SNC

27 Aug Session of SNC Meeting Reported

BK2908033191 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 28 Aug 91

["Report on the Supreme National Council meeting in Phatthaya"]

[Text] At the evening session of the Supreme National Council [SNC] meeting on 27 August, the SNC decided that it will give its opinion to the UN Transitional Authority in Cambodia [UNTAC]. UNTAC will implement this view only after there is a consensus among the SNC members and only if this view is in accordance with the current agreement. The UN Secretary General's special envoy is the one who decides whether this view is in accordance with the agreement or not.

Without a consensus among the SNC members on the issues raised, Samdech Norodom Sihanouk, SNC chairman, will strive to achieve a compromise on the issues. In case there is no consensus, Samdech Norodom Sihanouk will make the final decision after taking into account the views expressed within the SNC. This procedure will be used to settle all issues which could arise between the Secretary General's special envoy and the SNC during the implementation of the agreement.

Khieu Samphan: Each Side Keep 6,000 Men

BK2908080191 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 28 Aug 91

["Speech by His Excellency Khieu Samphan on armed forces and how to solve the Cambodian parties' various forces"; dated 26 August—read by announcer]

[Text] Respected Samdech:

To solve the Cambodian problem politically and comprehensively, there are two documents. The first is the 28 August 1990 framework document of the five permanent members—which has been adopted by the UN Security Council [UNSC] in Resolution 668 and which all four Cambodian parties have already accepted in full. His Excellency Rafeeuddin Ahmed, representative of the UN Secretary General, and the Paris International Conference on Cambodia [PICC] cochairmen on 27 June 1991 reminded us, at the meeting with the four Cambodian parties under Samdech Norodom Sihanouk's chairmanship in Phatthaya, that this document is our law. The second document is the 26 November 1990 comprehensive draft agreement prepared by the five permanent members and the PICC cochairmen.

The Party of Democratic Kampuchea [PDK] has announced its full acceptance of the 26 November 1990 document. However, at the proposal of the Phnom Penh side on a number of issues, the PDK agrees that this draft agreement could be discussed, completed, or amended. However, the discussion on the 26 November 1990 draft agreement should not affect the 28 August 1990 framework document, which is the law for all of us.

Concerning the various types of forces of Cambodian parties, what does the 28 August 1990 document say? This is what this document says:

Forces of all parties should be regrouped at specified camps under the control of the UN Transitional Authority in Cambodia [UNTAC] with weapons to be handed over to this administration for control and safekeeping so that this administration can take measures to dissolve all the parties' forces and reduce all

types of weapons. This is to ensure stability and security in Cambodia and gradual mutual trust among all parties (28 August 1990 framework document, chapters 18, 19.) Thus, on the issue of each Cambodian side's various types of forces, the stance of the PDK, like that of the other two parties of the Cambodian National Resistance Forces, is to implement the 28 August 1990 framework document, of which all four Cambodian parties have already announced full acceptance.

The PDK maintains that this method is easy to implement and control and allows national reconciliation among all Cambodian parties in a peaceful and independent Cambodia under the leadership of the SNC and Samdech Norodom Sihanouk, current chairman of the SNC and future Cambodian leader.

However, the Phnom Penh side has proposed amending the document on this point. Therefore, in a compromising spirit to achieve a quick and comprehensive solution to the Cambodian problem and so that the UNTAC can carry out its supervisory role quickly, I agree to discuss the Phnom Penh side's proposal to amend the document on this point.

In this spirit, I propose the maximum dissolution of the Cambodian parties' armed forces and only a minimum of forces should be maintained with the number clearly defined. If the number is set in terms of percentage, it would take a long time to discuss. For this reason, I propose that if some armed forces must be maintained, this should be a set figure. I propose that 6,000 men of each side's forces be maintained—6,000 of the Phnom Penh side and 6,000 of the National Resistance Forces. All these forces should be dissolved two months before the election campaign to ensure continued peace and security and to avoid clashes among armed forces, which could cause resumption of figthing.

On SNC Meeting Agenda

BK2908055591 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 28 Aug 91

["Speech by His Excellency Khieu Samphan on the agenda of the Cambodian Supreme National Council's meeting in Phatthaya from 26-28 August 1991"; dated 26 August—read by announcer]

[Text] Respected Samdech Chairman, Prince, and Gentlemen: Today our Supreme National Council [SNC] is holding another meeting under the lofty chairmanship of the samdech for all of us to strive to quickly find a political and comprehensive solution to the Cambodian problem at the request of our Cambodian nation and people and the entire world.

Because our SNC meeting is the first official one since the samdech was unanimously elected by all Cambodian parties as SNC chairman, on behalf of the entire Party of Democratic Kampuchea [PDK], I would like to express joy and a very warm welcome. We think that this is evidence that the samdech is the only statesman who ensures national reconciliation and pushes for a political and comprehensive solution to build an independent, sovereign, unified, and peaceful Cambodia with its territorial integrity.

On this occasion, I would like to express sincere thanks to the Thai royalty, Government, and people for providing everything so that our meeting proceeds impeccably and solemnly. I would also like to thank the ASEAN countries, the Paris International Conference on Cambodia [PICC] cochairmen, His Excellency UN Secretary General and his envoy, who is present here, and the five permanent members, for their time and efforts to solve the Cambodian problem politically and comprehensively in accordance with the 28 August 1990 framework document and the 26 November 1990 draft agreement.

Respected Chairman Samdech: The two sessions of our SNC meeting, with the samdech as chairman—the first time in Phatthaya and the second time in Beijing—achieved important results rejoiced and welcomed by our entire people and nation in and outside the country, and our friends the world over.

At the same time, there is a major issue which has not yet been settled, namely the control by the United Nations of the cease-fire and the cessation of foreign military aid. Our SNC meetings both in Phatthaya and in Beijing discussed this issue but failed to settle it. I think there is no need for me to stress the importance of the issue of UN control over the cease-fire and the cessation of outside military aid. It is obvious that without UN control, what our SNC has declared on the cease-fire and the cessation of foreign military aid will remain only on paper. On the contrary, the gradual UN control over the cease-fire and the cessation of foreign military aid would be a way to gradually reduce fighting and create conditions for our efforts toward a comprehensive solution until concretely achieving a fully comprehensive solution in accordance with the 28 August 1990 framework document.

Thus, the dispatch of the first group of UN observers to gradually control the cease-fire and the cessation of foreign military aid is the most concrete way to move quickly toward a comprehensive solution with a minimum of expense and personnel. This is also not deviating from the framework document of the five permanent members. At the meeting in Bejing presided over by the samdech, the SNC chairman, our SNC sent a letter to his excellency the UN secretary general requesting the dispatch of a UN survey team to Cambodia. His excellency the secretary general, with the approval of the UN Security Council [UNSC], agreed with our request and dispatched a 12-member team, including civilian and military members.

All of us are very happy with this and woud like to express profound thanks to his excellency the secretary general. The UN survey team arrived in the zone under the PDK control on 21 August 1991. His Excellency Son Sen, commander in chief of the National Army of

Democratic Kampuchea, received the survey team in Pailin and sincerely cooperated with the team led by General Dibuama, held talks with all the team members, and also provided detailed documents to the survey team. The team saw for itself the overall situation, including the terrain, water, and communications, in and around Pailin. Through this, the team has gained for itself, for his excellency the secretary General, and for the UNSC a major degree of understanding of the terrain, water, and various conditions under PDK control to prepare for sending UN control groups to Cambodia and organize the military aspect of the UN Transitional Authority in Cambodia.

His Excellency General Dibuama and all members of his survey team expressed their satisfaction with the PDK for its full cooperation with the team. I believe that His Excellency Dibuama and his colleagues have clearly realized that the PDK is sincere and compromising and needs the United Nations to have a major role to ensure that the cease-fire and the cessation of foreign military aid be concretely implemented rather than just being on paper.

Now His Excellency Dibuama and his team are continuing their survey mission. The dispatch by his excellency the secretary general and the UNSC of a survey team at the request stated in the 16 July 1991 message of the samdech and our SNC has provided us with a lot of hope that the UNSC has increasingly understood our request and further realized that we do not want to stray from Resolution 668 of the UNSC. On the contrary, we have made efforts to implement it through definite activities to move toward achieving a comprehensive solution to the Cambodian problem in accordance with the 28 August 1990 framework document, officially adopted by the UNSC through Resolution 668.

For this reason, I would like to propose that our SNC meeting send another letter asking his excellency the secretary general and the UNSC, in consultation with the PICC cochairmen, to dispatch UN personnel in groups to control the cease-fire and the cessation of foreign military aid according to the following schedule:

1. The first group of 700 persons to arrive in Cambodia in September 1991;
2. The second group comprising 2,000 persons to arrive in Cambodia in October 1991;
3. The third group, to complete the force that, in the opinion of his excellency the secretary general and the UNSC, is necessary and sufficient to enable the civilian and military components of the UN Transitional Authority in Cambodia [UNTAC] to carry out its task efficiently on every aspect of a comprehensive solution.

Respected Chairman Samdech: To solve the issue comprehensively, we have two documents—the 28 August 1990 framework document and the 26 November 1990 draft agreement—which were prepared by the PICC cochairmen and the five permanent members. The Cambodian tripartite National Resistance Forces have fully accepted these two documents. However, the Phnom Penh side has proposed amending the 26 November 1990 draft agreement. This is why we have not yet reached an agreement on a comprehensive solution to the Cambodian problem. All of us will discuss the 26 November 1990 document at our current SNC meeting under the chairmanship of the samdech, the SNC chairman, as the second and third items on our agenda.

All of us will strive to do our best to discuss these remaining issues in a compromising and national reconciliation spirit based on the 28 August 1990 framework document, which all of us have decided to accept and use as the sole basis for solving the Cambodian problem to reach a compromise to ensure a comprehensive solution to the Cambodian problem, or at least achieve substantial results for us to quickly move forward.

Laos

Phoun Sipaseut Receives SRV Leader's Message

BK2908020891 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 29 Aug 91

[15 August message of thanks from SRV Foreign Affairs Minister Nguyen Manh Cam to Phoun Sipaseut, deputy prime minister and foreign affairs minister of the Lao People's Democratic Republic]

[Text] With all sincerity, I would like to extend my thanks to you, comrade, for your profound congratulations conveyed to me on the occasion of my appointment as foreign affairs minister of the SRV.

I believe that the traditional friendship, special relations, and comprehensive cooperation between Vietnam and Laos, as well as the close cooperation between the foreign ministries of our two countries, will be continually consolidated and developed for the mutual interests of our two peoples, peace, security, and cooperation in this region and the world.

Chinese Communist Youth Delegation Visits

BK2808105891 Vientiane KPL in English 0939 GMT 28 Aug 91

[Text] Vientiane, August 28 (KPL)—A visiting Chinese communist youth delegation, led by the deputy director of the foreign relations department of the Chinese Communist Youth Union Central Committee, on August 26 are here Mr. Khamman, second sectretary of the Lao People's Revolutionary Youth Union Central Committee [LPRYU CC]. [sentence as received]. The Chinese delegation on the occasion invited a delegation of the LPRYU CC to visit China. Mr. Khamman accepted with thanks the invitation and valued the developing relations and cooperation between the two countries and the two youth unions.

Hungarian Ambassador Awarded Friendship Medal

BK2708133291 Vientiane KPL in English 0910 GMT 27 Aug 91

[Text] Vientiane, August 27 (KPL)—Vice Prime Minister and Foreign Minister Phoun Sipaseut of the Lao PDR [Lao People's Democratic Republic] yesterday conferred here a friendship medal of the Lao PDR on Hungarian Ambassador to Laos Mr. Alfred Almasi in recognition or his contribution to developing the bilateral ties.

At the ceremony, both personalities valued the developing Lao-Hungarian relations and cooperation over the years.

Phoun Sipaseut wished him good journey home and success in his new task.

UNHCR Representative Calls on Foreign Minister

BK2608124091 Vientiane KPL in English 0900 GMT 26 Aug 91

[Text] Vientiane, August 26 (KPL)—The new representative of the United Nations High Commissioner for Refugees [UNHCR] in Laos Mr. Mirza Hussain Khan on August 23, 1991 paid a courtesy visit here to Mr. Phoun Sipaseut, deputy prime minister and foreign minister.

At the discussion filled with a good atmosphere, Mr. Phoun Sipaseut congratulated Mr. Mirza Hussain Khan over his appointment in Laos and hoped for a fruitful cooperation between the UNHCR and the Lao Government in connection with the Lao refugees. He also wished the new UNHCR representative success in his mission in Laos.

Mr. Mirza Hussain Khan replaced his predecessor Daniel Bellami.

Philippines

Aquino Hopeful for Debt Relief Request to U.S.

HK2908112491 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 29 Aug 91

[Text] President Aquino is hopeful of a positive response from the United States in relation to the government's request for support for the relief programs by the multilateral financing institutions. Tanny Rodriguez reports.

[Begin recording] The president said she has already sent some proposals on this to U.S. President George Bush and the U.S. President promised he will discuss this with Treasury Secretary Nicholas Brady. This matter is one of the issues discussed by President Aquino and the U.S. President during their conversation yesterday. If the United States supports these proposals, it means that the government will get relief in paying the interests for its loans from international banks and will probably extend the debt maturity. [end recording]

Reaction to Base Treaty Issues Continues

Group Fears Communist Takeover

HK2608114791 Davao City PEOPLE'S DAILY FORUM in English 16 Aug 91 pp 1, 13

[Text] The National Alliance for Democracy (NAD) strongly urge the Senate to ratify the Treaty allowing the Americans to use Subic Naval Base, for the next ten (10) years.

Jun Alcover, NAD Chairman, said that if the Americans pull-out from our country as a consequence of Senate's rejection of the Treaty, our government particularly the Defense establishment will suffer an insurmountable loss in protecting our country's sovereignty and territory.

Alcover explained that the government's loss will be a gain or a plus for the Communist Party of the Philippines (CPP), considered as the No. 1 threat to our democracy.

He added that in case the Americans leave the country within a period of five (5) years, we will witness a change in our system of government from democracy to communism.

He cited the reports of the Armed Forces of the Philippines (AFP) and that of Defense Secretary Renato de Villa which unequivocally emphasizes the effects of an American pull-out to the capabilities of the AFP [Armed Forces of the Philippines] in protecting our country against internal and external threats.

Alcover, likewise, cited the position of the Lower House based on the study conducted by Cong Rolando Andaya and Con Jose Yap that our country's budget cannot support the required $3.5 billion fund to finance the Modernization Program of the AFP.

Alcover, also, warned against a possible communist victory in the event that AFP equipments would all be grounded due to unavailability of spare parts for our warplanes, naval vessels and other combat vehicles.

"In case this situation happens, it is like giving away the power of government to the communists, on a silver platter," he added.

"The NAD is strongly supportive of our country's self-governance and independence, which must be free from any colonial and foreign intervention. However, the pro-democracy alliance believes that this is not yet the right time for the Americans go to," Alcover said.

Cause-Oriented Groups Against Pact

HK2608103791 Davao City PEOPLE'S DAILY FORUM in English 22 Aug 91 p 11

[By Radzini Oledan, MMNS]

[Text] Davao City [MMNS]—A Campaign by cause-oriented and church groups against the ratification of a

new bases treaty appears to be underway with the launching of protest actions this week.

About 30 members of the League of Filipino Students (LFS) picketed the United States Information Services (USIS) office in Bajada yesterday afternoon in what they claimed to be the opening salvo for the anti-base treaty campaign.

Joseph Sison, LFS secretary-general for Davao said that the picket was also an expression of support for anti-bases senators who will vote on a new bases treaty.

The students criticized the position of some Filipino businessmen who they believe may favor the ratifiation of the treaty. "If those businessmen are really concerned about the economic development of the country, then they should not evade payment of their taxes", Sison said.

An LFS lender said if the government will extend the presence of the bases "then the people are the ones who would decide on what action to take."

The students, who carried anti-bases streamers, dispersed after about 20 minutes.

Last August 12 a peace caravan was staged by the Federation for a Base Free Philippines-Davao (FBFP), a newly formed anti-bases group.

The 18 member organizations of the FBFP, which include student, labor, women and church groups, said they are bound together by their stand on the bases.

In a statement they distributed, the FBFP said the treaty "worsens the unjust and unequal relations between the U.S. and the Philippines."

They added the bases in Olongapo and Zambales are "obstructions in the desire of Filipinos to use Philippine lands for productive, peaceful, alternative and pro-Filipino purposes."

Diplomats Favor Bases Accord

HK2608104391 Manila MANILA BULLETIN in English 26 Aug 91 pp 1, 21

[By Rod L. Villa]

[Text] Ambassadors Toshio Goto of Japan and Sadigh Suleiman of Libya said over the weekend a rejection of the new military base treaty will likely repel foreign investors from the Philippines.

They said the withdrawal of U.S. military installations from Philippine territory will also set off a big readjustment of global security arrangements.

Rep Jose de Venecia (LDP [Struggle of Filipino Democrats], Pangasinan), chairman of the House committee on foreign affairs, described their apprehensions as reflecting the general view of the diplomatic corps and the foreign community.

Goto and Suleiman made the statements during a dinner attended by 30 other foreign diplomats to honor visiting dignitaries from the People's Republic of China at De Venecia's residence in Makati.

Goto and Suleiman said the foreign community has expressed "great public concern" over the future of U.S. military installations at Subic Naval Base and other parts of the country.

But they said the discussions focused on monetary gains for the Philippines.

The two diplomats said the discussions should expand to consider seriously the standing of the Philippines before the community of nations, particularly on efforts to create the Philippines as a new foreign investment center.

Suleiman said the Philippines must reconsider with great concern a rare status of historic and special relations with the U.S. as leading world power.

While other nations are vying for a similar position, the Philippines finds itself already there to enjoy this rare situation, the diplomatics said.

Seven-Year Phaseout Suggested

HK2608130691 Manila Manila Broadcasting Company DZRH in Tagalog 0300 GMT 26 Aug 91

[Interview with Vice President Laurel by host Joe Taruc on "Liberty in Action" program—live or recorded; italicized passages in English]

[Excerpt] [Taruc] The main issue for today is the signing of an agreement between the Philippines and America that will extend the retention of the Subic Naval Base in the country. Can we know your position on this matter?

[Laurel] Joe, I have never changed, and I am consistent since 1986 when I was prime minister and foreign secretary, I said to President Aquino that we should study the matter now and start moving so we can make a decision and so that we don't need to hurry if the time comes. Let us really study it now because the Americans are also studying this. My proposal, Joe, was *let us phase out the bases* because the bases cannot permanantly stay, and we must have a specific date for the phase out. I proposed *a seven year gradual systematic phase out* that is just right *so it would be reasonable for both sides.* To the Filipino sides we also need time to prepare *to take over our external defense* because when the Americans leave we must manage our national defense. The Americans also wanted a gradual pullout but my proposal was not given notice. Joe, I know it is good because by 1998 we don't have any more bases and in time for the celebration of our 100th anniversay of the republic. It was in 1898 that we formed our republic then *1998 will be the occasion of our centennial, we will be without any foreign military bases here.* This was not given notice and their position kept on changing. Previously they wanted them out by 16 September 1991, then they say pay more

or get out, then they have the all-options-open policy, then little by little one year, three years, five years, seven years and now ten years. So now many are opposing it because this should have not happened. The majority wanted *which they concur with my proposal* [as heard] instead of debating on how much must the compensation be, we should have concentrated on the economic agreements instead of heckling from one billion...[reception lost due to apparent transmitter fault]

[Taruc] Based on the current situation Mr Vice President, what is your belief regarding the treaty? Will the Senate ratify the agreement?

[Laurel] According to my count, it is rejected. Those senators that I have talked to, according to their count the votes needed are lacking, and they need 16 to ratify it, and I think they have fewer than 16.

Police Warn of Security Problems

HK2808094291 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 28 Aug 91

[By Fernan Imberga of DZRH Unit No. 22 with Sonny Francisco at Camp Crame; italicized passages in English]

[Text] Top officials of the Philippine National Police [PNP] warned today of security and economic problems that will beset the country due to the turmoils that can be caused by leftist and rightist groups in the face of rejecting the Republic of the Philippines-U.S. Treaty.

In this connection, the PNP exposed the plan by the communist movement to launch an intensive and extensive propaganda and military campaign to reinforce the Senate's rejection of the new treaty regarding the extended stay of American bases.

The ultra-rightist group of rebel forces, on the other hand, will take advantage of the expected conflict and turmoil if the treaty is not ratified. The actions by rightist rebels, according to a police intelligence analyst, will also include attacks on detention centers to free detained officers of the Reform the Armed Forces Movement-Soldiers of the Filipino People-Young Officers Union, and launching terrorist activities such as the assassination of government officials. These assessments surfaced during the top-level command conference of top officials from the Department of Interior and Local Government, the PNP, and some representatives of the Armed Forces of the Philippines, in Camp Crame's multipurpose hall. PNP spokesman, Colonel Reynaldo Wycoco, has additional information:

[Begin Wycoco recording] If the bases [treaty] is not ratified, there will be incidents related to this. What will happen if the treaty is not ratified? What will happen to the Philippines? In their assessment, it would be good to ratify the treaty, *not only for the PNP, but also for the whole country.* Foremost, for the PNP, it will receive a big share from the military assistance program. Because of this share, we can purchase radio communications, we can send officials to other countries for training, and we can buy other equipment which we can use to fight crime and insurgency. This is the assessment of the PNP. If the treaty is not ratified, what we fear is not the loss of what we expect to receive but, rather, the resulting peace and order situation in the long run. This means, if the treaty is not ratified, first of all, the people from Zambales, Olongapo, and Angeles City will lose their jobs. *You know these areas in Central Luzon are traditional problem areas, as far as the communist movement is concerned.* Before, Huk Balahap [World War II Anti-Japanese Movement] and then the communist movement. [sentence as heard] [end recording]

Meanwhile, PNP chief Director General Cesar Nazareno said that the PNP will lose $30 million from the $100 million military aid package from the new treaty and this will gravely affect police operations throughout the entire country.

PNP intelligence chief Major General Gerardo Flores also declared that the country's security will be greatly affected if the Senate does not ratify the new treaty.

Senators Comment Individually

HK2808103291 Manila PHILIPPINES NEWSDAY in English 28 Aug 91 pp 1, 2

[By Reporters Jose H. Macaspac III, Ros Manlangit, Mariquit Almario, Arthur I. Bariuad, and Dario B. Agnote; and Correspondent Chits Jimenez]

[Text] Several senators who had originally announced opposition to the new bases agreement appeared to waver in their stand as they told NEWSDAY that they were not seriously studying the contents of the treaty that was submitted to the Senate yesterday.

The Senate received four documents embodying the treaty—the mother treaty, two side agreements and a seven-page "side letter" from U.S. President George Bush to President Aquino detailing the U.S. commitments.

Senator Leticia Ramos Shahani, chairman of the 17-man committee on foreign relations which would scrutinize the treaty and recommend a course of action to the entire Senate, said she was reluctantly voting "yes" to the treaty because it is what the country needs.

A poll of her committee showed that 10 members favored the treaty, five were opposed and two were uncommitted, although they had previously stood up against the agreement.

A poll of the entire Senate yesterday showed 10 in favor and 13 against including the two members of the foreign relations committee who were now "uncommitted." This number 13 had dwindled from 16, the original number that voted against the new base agreement only recently.

Practically all the senators had not read the entire treaty as of yesterday.

The senators said they wanted to determine if there had been ample changes in the accord as compared to the draft treaty that had been referred to the chamber last month.

The senators said they were "keeping an open mind on the matter" and they would divulge their vote only when the treaty is actually voted upon by the body.

Reacting to the treaty Vice President Salvador H. Laurel said:

"It is not what I had in mind. I had in mind a 7-year phaseout, not a 10-yar phase-out. I had in mind an agreement which would commit the U.S. to beefing up our Armed Forces so that our Armed Forces would be in position to take over the external defense of our country when the Americans pull out. There is no clear commitment to that effect. Also, we were limited to this $203 million compensation which is a far cry from the original demand of the administration of $1 billion."

National Security Adviser Rafael Ileto said:

"This (the signing) is a welcome development...(it) will contribute to the security of the country, no doubt about it."

The Japanese Embassy welcomed the signing of the treaty. Counsellor Shiichi Kondo said the new treaty contributed to the stability and prosperity of the Asia-Pacific region. He aslo expressed optimism that the Senate would ratify the accord.

The Soviet Embassy said the U.S. should withdraw military from the Philippines at the end of the century. Soviet Ambassador Vitaly Borisovitch Koutchouk said "constitutional changes" taking place in the Soviet Union removed the basis for the continued presence in the Philippines of U.S. forces.

Besides, Koutchouk said, while the issue was a bilateral matter between the Philippines and the U.S. the Soviet Union had always called for the dismantling of all foreign military facilities by the year 2000.

The senators' reactions follow:

1) Teofisto Guingona Jr. (anti):

I want to look at the treaty first. Is it a treaty or an agreement? If there are no substantial changes, then there is no change in my stand.

2) Jose Lina (pro):

I need to see the copy. All I have is the July draft. I reserve my vote. However, my two main objections are the process of ratification and the benefits that will accrue to the country. I prefer that it be ratified by the U.S. Senate.

3) Ernesto Herrera (pro):

As long as my concerns are addressed, then I will support the treaty. These concerns are: 1) support for displaced bases workers; 2) funds for the reconstruction of Central Luzon. (Note: So far the U.S. promised Herrera $25 million—$20 million from the Economic Support Fund and $5 million in direct additional assistance from the U.S.—for bases workers and $50 million for reconstruction of Pinatubo-affected areas.)

4) Neptali Gonzales (pro):

I am considered part of the minority in the base controversy. I am in favor of the treaty.

5) Santanina Rasul (anti):

I voted against it during the straw vote. But I still keep an open mind. If the individual concerns of the senators are addressed, then as I said, I keep an open mind.

6) Ernesto Maceda (anti):

I voted against it during the informal vote. But there are still 12 days to go to deliberate on the treaty. That is why I will let you know my stand when the voting is done; we have to look at other aspects of the treaty, not only the compensation and duration. Also, public opinion has it 7 to 3 for the bases. We should therefore listen to all sides.

7) Victor Ziga (pro):

I must first study and scrutinize the signed treaty. All individual concerns must be addressed.

8) Agapito Aquino (anti):

They must first convince me that the treaty is good for the country and the people. It is our obligation to protect the interests of the country. We are not completely inflexible. They should give us an offer we cannot refuse. If they are willing to reduce the country's debt obligation by P[Philippine peso]10 billion in ten years...

9) Jovito Salonga (anti):

If no substantial changes, my stand will not change.

10) Orlando Mercado (anti):

There seem to be no essential changes from the draft. Nothing changed except for the signatures. If this is so, then my stand will not change.

11) Leticia Shahani, foreign relations committee chairman (pro):

What is important is to address the immediate problems of the country. The considerations for the country are important. That is why I am voting yes.

12) Joseph Estrada (anti):

This treaty is an insult to the Filipino people. I am hopeful that the Senate will reject it. It is a closed issue. I will vote against it.

13) Rene Saguisag (anti):

In the next few days, you will know the vote. We will hold marathon hearings on it but it will undergo usual legislative processes.

14) Alberto Romulo (pro):

I have to scrutinize the treaty very carefully. My principal concerns are the "best efforts" promise. They have not made good on their promises.

15) Aquilino Pimentel Jr. (anti):

I am treating this as a real estate transaction. If there are no substantial changes, then I am constrained to vote no.

16) Heherson Alvarez (anti):

I am preparing my speech, culling all fine points on the issue. I will use the remaining days (15 or 16) to define a balanced position of our national interest.

17) Vicente Paterno: Yes.

18) Edgardo Angara: Yes.

19) Wigberto Tanada: No.

20) John Osmena: Yes.

21) Juan Ponce Enrile: No. The government must also abrogate the mutual defense pact.

22) Sotero Laurel: No. The treaty violates the anti-nuclear ban in the Constitution and there is no territorial protection clause.

23) Mamintal Tamano; Yes. (Note: He is the only senator to cast a yes in the straw vote.)

Meanwhile, the Kilusang Mayo Uno [1 May movement] (KMU) said the signing of the base treaty marked the ultimate treachery of the Aquino government against the sovereign and genuine interests of the Filipino people.

Lack of U.S. Commitment Criticized

HK2908023391 Manila Far East Broadcasting Company in Tagalog 0100 GMT 29 Aug 91

[Text] Some antibases senators criticize Washington for giving only promises instead of firm commitments, particularly on nonbudgetary components of the compensation package. The senators, headed by Senator Jovito Salonga, said it was very clear the Philippines will not get any assurance on any reconstruction funds, development assistance, trade access, and workers assistance promised by the United States after reading the text of the mother treaty, the two side agreements, and the side letter of U.S. President George Bush. Senator Salonga said that these are just promises, and expressed hope that it should [as heard] have been included in the treaty. He further said the written promises from the side letter will not help to convince other senators to favor the bases treaty that will pass through their ratification process.

U.S. Military Pullout 'Inevitable'

HK2908055891 Hong Kong AFP in English 0539 GMT 29 Aug 91

[Text] Manila, Aug 29 (AFP)—A U.S. military pullout from Asia is "inevitable" but the region needs time to prepare for it and avoid the rise of a new armed power like Japan, Philippine Foreign Secretary Raul Manglapus said here Thursday.

Defending a domestically controversial new 10-year base treaty between Manila and Washington, Manglapus said Japan or other countries could be forced to fill the void that would be left by an abrupt U.S. pullout.

"There is no other power that is eager to jump in to fill the void, but that does not mean that there is no other power that may find itself forced to do just that," he said in a speech to Manila's foreign diplomatic community.

Manglapus, who has previously warned of Japan's military potential, said the U.S. military presence safeguards Tokyo's vital trade sealanes.

"If Japan were left alone to protect them, it would have to build a navy and air force capable of patrolling westward all the way to the Persian Gulf and eastward all the way to the Americas," he said.

"But Japan does not want to have to do that," he added, noting that Tokyo pays Washington to maintain troops on its soil, unlike other host countries like the Philippines which demand compensation for U.S. bases.

Manglapus led the Philippine panel that negotiated the new base treaty allowing U.S. access to Subic Naval Base, the main ship repair and supply center of the Japan-based 7th Fleet, for another 10 years.

American forces will withdraw by September 1992 from Clark Air Base, which was devastated by the eruption of Mount Pinatubo in June, halving Washington's military complex in this former colony.

The treaty, which provides for a 2.2 billion-dollar compensation package, was signed on Tuesday but has to be ratified by two-thirds of the Philippine Senate by September 16, when the current 25-year lease on both bases runs out, or force a U.S. withdrawal.

A majority of senators outwardly remain opposed to the treaty for a variety of reasons, but President Corazon Aquino is lobbying hard and some of the senators who vowed to vote "no" are now wavering.

Manglapus said the treaty gives "time to ourselves, to ASEAN, to our other neighboring friends, to enable ourselves and the region to prepare for the forthcoming and inevitable military withdrawal of the United States."

The Philippines belongs to the Association of Southeast Asian Nations (ASEAN), which is officially working for

a "zone of peace, freedom and neutrality" but continues to cling to the U.S. security umbrella.

ASEAN also includes Brunei, Indonesia, Malaysia, Singapore and Thailand, most of which were overrun by Japanese troops during World War II.

"Over the years a sort of Southeast Asian culture of security has gotten woven around that U.S. presence," Manglapus said.

"The culture proceeds from the realization that, like the Middle East, the Southeast Asian region is not yet ready to undertake by itself the responsibilities of security," he said.

"The U.S. presence is here and, perhaps at times reluctantly, it is accepted as a temporary measure for stability until the region is strong enough to undertake its own defense," he said.

Manglapus also defended the compensation package for the new base treaty.

He said the 2.2 billion dollars promised by Washington only represented the amounts that need U.S. Congress appropriation, and that other components like increased trade access would bring the benefits to nearly eight billion dollars over the life of the agreement.

Manglapus noted that at a regional security conference here in June, delegates from Japan and South Korea, which also hosts U.S. troops, joined ASEAN in urging a "short extension" of the U.S. presence in the Philippines.

"The Japanese and Koreans wanted time to adjust to the changing security realities," he said.

Manglapus on Regional Security

HK2908085391 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 29 Aug 91

[Italicized passages in English]

[Text] Foreign Affairs Secretary Raul Manglapus said that countries in South East Asia are not yet ready for the removal of the U.S. bases in the Philippines. Here is Rey Arquiza with the details.

[Begin recording] Foreign Affairs Secretary Raul Manglapus announced today that, like the Middle East countries, the countries in South East Asia are not yet ready to defend their rights and that the temporary presence of the U.S. bases in the country is needed to ensure the security of the region.

In a foreign policy speech, Manglapus said the U.S. bases are a temporary measure until such time as all the South East Asian nations have established their own defenses. Japan and Korea, like the other Southeast Asian countries, need time to establish what he calls the *capability to undertake their own security responsibilities*,before the the U.S. bases are removed from the Philippines. Manglapus said the United States has asked Kuwait, which was recently invaded by Iraq, for the possible establishment of a military base there. In his speech in the Department of Foreign Affairs auditorium, Manglapus said the retention of the U.S. bases in the country will provide jobs for the millions of unemployed Filipinos, new factories, new government income, and new construction and reconstruction.

On the issue of sovereignty, Manglapus said, *nationalism can no longer survive unless it builds on regionalism. That the nation can [words indistinct] if it ignores the global actuality and pretends to achieve immortality by standing alone.* And for those who oppose the U.S. bases treaty, Manglapus asks them: What is your alternative? [end recording]

Aquino To Convene Council of State

HK2908092191 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 29 Aug 91

[By Dick Sinchongco of DZRH Unit 6]

[Text] President Cory Aquino will convene the Council of State next week to discuss the agreement which has extended the stay of the military bases in the country. In a statement, the president said Executive Secretary Franklin Drilon is now considering whom to invite to the meeting. This will be the first time the president has convened the council since its establishment on 9 September 1987 by Executive Order 305. The Council of State is comprised of the vice president of the Philippines, Senate president, house speaker, executive secretary, secretary of national defense, Armed Forces chief of staff, and some members of the two houses of Congress. The council serves as the president's adviser in assessing the measures carried out by the government amid the important developments in the country like the recently signed bases treaty.

Meanwhile, the president said she will continue her meeting with the senators in an effort to convince them to ratify the Treaty on Friendship, Cooperation, and Security which is now pending in the Senate. The president also stressed that the government is continuing its efforts to approve the treaty.

Manglapus: Manila Likely To Recognize Baltics

HK2908090991 Manila BUSINESS WORLD in English 29 Aug 91 p 12

[Text] The Philippines will likely recognize Lithuania, Latvia and Estonia as sovereign states, Foreign Affairs Secretary Raul Manglapus yesterday said.

In an interview with Palace newsmen, Mr Manglapus disclosed that the Department of Foreign Affairs is "studying the matter very carefully," in the process taking into account "practical factors, (including) the timing that we should adopt in moving to undertake that recognition."

Chances of Philippine recognition of the Baltic states are "very good," Mr Manglapus noted. "We should be following our own attitude towards independence and democracy, because this is not just a mere independence movement. It is a democracy movement resulting from perestroyka and glasnost instituted by (Soviet President Mikhail) Gorbachev himself."

But the National Security Council [NSC] has cautioned President Aquino to "go slow" in recognizing the Baltic republics, NSC assistant secretary Alan Ortiz disclosed. "The situation is still very fluid. We will take a wait-and-see attitude. We shouldn't be hasty," he said.

Lithuania, Latvia and Estonia took advantage of the Soviet Government's disorganization due to the hardliners' coup attempt to declare independence.

Scandinavian countries and some members of the European Community [EC] have already extended recognition to the Baltic states.

Envoy to Washington Emmanuel Pelaez, elder statesman that he is, said that recognition of states should only be extended "if there is a people, there is territory and they can exercise sufficient control over that territory and its borders."

Mr Pelaez predicted that after the euphoria of the moment, the economic linkages and complimentaries built up over the years since the Baltics' annexation by the Soviet Union "will force all these republics to come close together again in some sort of federation." He held up the EC as an example.

Soviet Embassy Minister-Counsellor Viktor Ivanov seemed resigned to the global momentum in favor of recognizing the Baltics' secession. "It's the right of any state to recognize a new state," he said. "I don't think there will be a problem in our relations if the Philippines eventually decides to do so. But, I agree with Ambassador Pelaez. The Baltics are economically tied to Soviet resources and integrated into our economy."

"Don't be in a hurry to bury the Soviet Union," Mr Ivanov remarked.

Editorial Analyzes Reaction to Soviet Crisis

HK2908091291 Manila THE CHRONICLE in English 29 Aug 91 p 4

[Editorial: "Official Reaction to Soviet Crisis Superficial]

[Text] Official Philippine reaction to the cataclysmic events sweeping the Soviet Union has so far been simplistic and puerile. It ranges from the government statement that the collapse of the coup again demonstrated "people power," suggesting that the Philippines had shown the example for others to follow in effecting political change, to analysis inside the National Security Council saying that the fragmentation of the Soviet Union could mean more competition for Western aid resources.

One possible explanation for the superficial reaction is that when the coup broke out in Moscow—the Philippine chief of mission was away. No senior embassy official in the embassy could send dispatches that made sense of the events. It may be said that the American CIA itself was caught flat footed, but this is nothing nearly as disastrous as having an absentee chief of mission when a crisis breaks.

The other explanation involves perspectives. True, immediate defiance to the junta by the president of Russia, Boris Yeltsin, tapped the democratic impulses of the Soviet people and galvanized them into huge demonstrations in Moscow and Leningrad. The nostalgia to recall similar scenes at Edsa was certainly irresistible. But the government's reaction did not go deeper than that and contributed absolutely nothing to the understanding of the momentous events taking place.

When great events take place, anywhere in the world, people, including the Filipinos, seek explanation. Since the presidency is the most important communication center in the country, it was not at all very helpful in making sense of the news, in spite of its network of embassies.

The important thing to consider about the Soviet "people power" is that it was a demonstration by the people in defense of their democracy and against the attempt to restore the dictatorship of the Communist Party and turn back the clock of reform. When the dissident military revolted in December 1989 and nearly toppled the government, there was no such demonstration by the people to go out in the streets to defend the government. Most of the people remained bystanders and kibitzers, and the saddest episode of that coup is that President Aquino, unlike in the 1986 Edsa events, no longer became the symbol or a rallying point against anti-democratic forces. This is what should be remembered by everyone, including the government.

The analysis that the emergence of independent republics would add to the growing list of countries competing for Western investment and aid reflects the mendicant mentality upon which economic and foreign policy is built. Aid becomes the all-important perspective and foreign policy is circumscribed by the begging bowl.

This perspective perpetuates a policy of dependence and inhabits the emergence of alternative policies based on initiating structural reforms in the economy.

If the official reactions to the Soviet crisis helped the country at all, it was in revealing all the worst aspects and perspectives of official decision making.

Business Group Wants Economic Pact With Taiwan

HK2608102291 Manila BUSINESS WORLD in English 26 Aug 91 p 2

[Text] The Philippines is the only ASEAN country with no economic agreement with Taiwan. Because of this, Manila is not taking full advantage of the economic benefits that could be derived from increased trade and investment relations with Taipei.

Aurelio Periquet, president of the Philippine Chamber of Commerce and Industry, noted this as he pushed for Government to enter into some kind of investment guarantee and cooperation in taxation with Taiwan.

Mr. Periquet, also chairman of the Philippine-Chinese Business Council, said that "Taiwan is not after formal diplomatic ties with the Philippines."

He recently arrived from the 6th Joint Philippine-Chinese Business Council and Chinese-Philippine Business Council meeting in Taipei.

He reported that Taiwan President Lee Teng Hui and Prime Minister Hau underscored Taiwan's sinceity to offer help and assistance to the Philippines.

However, some form of recognition by the Philippines of Taiwan would further enhance this relationship between the two countries.

Mr. Periquet noted the marked slowdown of Taiwanese investments into the Philippines. In previous years, Taiwanese investment inflows had reached P [Philippine peso] 1 billion. But in the past year, these were down to a couple of hundred million pesos only.

During the joint business council meeting, Taiwanese businessmen noted some issues which discouraged them to invest in the Philippines. These are:

—the perception that, as in the petrochemical case, the Supreme Court can intervene in business decisions such as the location of a project;
—the absence of an investment guarantee and taxation agreement similar to what other countries such as Indonesia offer;
—high "invisible" cost of doing business, as in "facilitation fees;"
—too much red tape at the Bureau of Customs, Bureau of Immigration, and the Garments and Textile Export Board; and
—the continuing threat of labor unrest.

Officials Defend Taiwan Sea Lane Agreement

HK2808093491 Manila MANILA BULLETIN in English 28 Aug 91 pp 1, 16

[By Sid Roman]

[Text] Assistant Executive Secretary Roberto Lucila and Agriculture Undersecretary Benito Bengzon took exception yesterday to the allegation of Sen. Juan Ponce Enrile that the Senate was disregarded in connection with the signing of an agreement between the Philippines and Taiwan on sea lane passage and on agriculture and fisheries cooperation.

Lucila and Bengzon urged Enrile to recall the number of legislative measures affecting the two countries that President Aquino certified for action by Congress but which were not acted upon by the House of Representatives and the Senate.

Because of this failure of Congress, Lucila said, the executive department had to take the initiative in forging an agreement with Taiwan in order to forge peace in the South China Sea and defuse the tension that arose between the two countries as a result of the seizure and apprehension of several Taiwan fishing vessels and their crews.

"Contrary to the claim of Senator Enrile, the sea lane agreement is not a violation of the 1975 joint communique signed between the People's Republic of China and the Philippines," Lucila said.

Lucila said that it is true that the Philippines does not have any diplomatic relations with Taiwan, but no country in the world, including the People's Republic of China (PROC), can ignore the economic and trade potential of Taiwan.

Bengzon, who was a member of the Philippine panel that negotiated the sea lane accord, said that Enrile does not have an "exclusive virtue of patriotism because when we negotiated the agreement with Taiwan we did not violate any law and we did not surrender our country's sovereignty."

Bengzon said that the country has started to benefit from the accord because Taiwan agricultural experts are now in Central Luzon rendering technical assistance in the rehabilitation of agricultural areas affected by the Mt. Pinatubo eruptions.

"This is one of the six major benefits the country will derive from the RP [Republic of the Philippines]-Taiwan sea lane agreement," Bengzon said.

The six Taiwanese agricultural experts arrived in Manila yesterday and had immediately undergone briefings from officials of the Department of Agriculture and Department of Public Works and Highways.

Nongovernment Agreement With Taiwan Proposed

HK2908091791 Manila THE CHRONICLE in English 29 Aug 91 pp 1, 7

[By Corrie S. Narisma]

[Text] The Philippines and Taiwan may resort to a non-government investment agreement to revive their weakening economic ties without violating Manila's "one-China" policy.

Trade and Industry Undersecretary Lilia R. Bautista explained that this calls for an agreement that will be signed by the Taipei Economic and Cultural Office (Teco) here and its Philippine counterpart in Taiwan, headed by Alejandro Roces.

She said the proposed agreement is similar to that entered into between Indonesia and Taiwan, which was signed by their respective trade promotions offices.

The agreement, Bautista said, will help revive the waning interest of Taiwanese in the Philippines as an investment site since the Supreme Court decided against the transfer of the Taiwanese-owned USI [expansion unknown] Far East's petrochemical project from Bataan to Batangas.

Trade and Industry Secretary Peter D. Garrucho Jr. said Taiwanese investments in the Philippines has drastically declined since the petrochemical project was withdrawan.

He added a new Taiwanese group had expressed interest to put up a petrochemical plant as big as USI Far East's aborted project.

He did not identify the group, but added it is considering Cebu as a possible site for the project.

Bautista, who visited Taipei recently along with other ranking government officials to talk to investors and businessmen, said the group is interested in putting up the plant here due to increasing demand for petrochemical products in the Asia-Pacific region.

Its establishment, she said, will also attract Taiwanese companies engaged in downstream petrochemical businesses.

Bautista said Board of Investments (BOI) Memorandum No. 46 already provides protection to the rights of foreign investors, including Taiwanese, in the country.

But Bautista said that the Taiwanese consider the BOI memorandum as unilateral and instead prefer a formal bilateral agreement that will specify that the Philippines will provide protection to their investments here.

ROK Official Meets With Aquino in Manila

SK2908002991 Seoul YONHAP in English 2358 GMT 28 Aug 91

[Text] Seoul, Aug. 29 (YONHAP)—Philippine President Corazon Aquino called for more positive advancement of Korean firms into her country when she met Rep. Kim Chong-ho, floor leader of the ruling Democratic Liberal Party at Malacanang Palace in Manila Wednesday [28 August], a source at the South Korean National Assembly said Thursday.

Rep. Kim, now visiting Manila in the capacity of the chairman of the World Scout Parliamentary Union, paid a call on Aquino to discuss ways of promoting bilateral cooperation, the source said.

During the meeting, Aquino expressed the hope that Korean firms would make more investment in her country, the source said.

Rep. Kim is to return home via Tokyo on Saturday.

Several Groups Support Laurel Presidential Bid

HK2608125291 Manila MANILA BULLETIN in English 26 Aug 91 p 20

[By Encarnita B Martinez]

[Text] Noted Constitutionalists, multisectoral groups, and Nacionalista Party (NP) leaders threw their support behind Vice President Salvador H. Laurel in assailing the proposal to change the Constitution and shift to the parliamentary system eight months before the scheduled presidential elections.

Laurel said that letters and telegrams which pour in daily at his Shaw Blvd. residence denounced the scheme as "a dark machination of the discredited ruling party to stay in power."

In a radio interview over the weekend, former Constitutional Convention (Concon) delegate, retired Supreme Court justice Cecilia Munoz Palma, cautioned Congress "not to trifle with the Charter at this late hour lest further instability reign in the land."

The Student Dental Council of the Centro Escolar University (CEU) passed a resolution calling on Congress "to resist the pressures of being used as a pawn in the desperate bid of a political family to cling to power."

Speaking at a Women Lawyers' gathering at the Hotel Intercontinental, Laurel received support from about 1,500 delegates in his fight against the Constitution change. Among the supporters of Laurel against the change was presidential aspirant Miriam Defensor Santiago.

From Sorsogon, NP provincial chairman Redentor Buyala branded the scheme as a "transparent move of the Cory administration to escape the judgment of the electorate in the 1992 polls."

Party provincial chairmen for South Cotabato and Misamis Oriental, Magno Reyes and Cecilio Adaza, called for "summary condemnation of the scheme and the repudiation of its perpetrators in the 1992 polls."

A spokesman of the vice president quoted Laurel as saying that he is not against the parliamentary system but the "sinister motive and the timing of the proposed change."

Cardinal Sin on Guidelines for Catholic Voters

HK2608104691 Manila MANILA BULLETIN in English 26 Aug 91 p 8

[By Robert Requintina]

[Text] Jaime Cardinal Sin, archbishop of Manila, has called on the Catholic faithful to reject organizations of citizens that wish to win political power but unable to explain to voters its priorities and programs of action.

Speaking on the "Obligation to Participate" in the coming elections, Sin said that "any organization of citizens who wishes to win political power merely on the luster (or lackluster) of its lead personality but remains unable to explain to voters what its priorities, and programs of action are, warrants the rejection of the Filipino community."

Sin said that "power is there not to be won but to be used."

"Too much has been squandered in this country because the political leadership was too pure to be polluted by the political party," he said.

Because of this, Sin said, there was an inability to muster the political wherewithal for the benefit of the people.

The Filipino community, he said, has the right to know concretely "how that power will be used, from Malacanang through Congress and the judiciary system down to the last barangay councilor."

He said that the people have the right to know how a party will work for land reform, U.S. interests, payments of debts to rich creditor nations over delivery of health care, roads, housing for the poor, etc.

"The discussion of salient issues must raise our preparations for the coming elections over the level of a popularity contest," Sin said.

Cardinal Sin said that any organization of citizens, civilian or military that ambitions to seize political power in the country by manipulating the self-ambitions of petty politicians and opportunistic generals is being condemned by the Christian community.

He said that "laurels, money and power are repugnant if gained by raping our people's determination. Rule by the barrel of gun, even if the gun is expensive and imported, is not the way of the Filipinos."

'10,000' Davao Residents Flee Due to Military

HK2608105591 Quezon City MALAYA in English 25 Aug 91 p 7

[Text] A Davao-based human rights groups reported yesterday that about 10,000 villagers from five municipalities of Davao del Norte and Davao Oriental have evacuated due to ongoing massive military operations which started last March.

The Concerned Citizens for Justice and Peace [CCJP]-Davao, an affiliate organization of the Ecumenical Movement for Justice and Peace, said military offensives forced 2,082 families or about 10,000 individuals to vacate their homes and seek refuge in safer grounds.

CCJP said the evacuation affected 10 barangays in Banaybanay town, Barangay New Visayas, Maco town in Davao Oriental and barangays Sawangan, Payansusuan, Pantukan, and four others in Monte Vista, all in Davao del Norte.

Elsa Mangatol, CCJP executive director, said human rights groups based in Davao are coordinating with church organizations and parishes to provide shelter for these evacuees.

Mangatol said non-governmental organizations have been given a go-signal by the local DSWD [Department of Social Welfare and Development] to generate support to the evacuees since DSWD could no longer accommodate all social service works in the area.

The joint operations against New People's Army in the affected mountainous areas of the two provinces are being carried by elements of 602nd Army Brigade.

The operation is being waged under the extension period of Oplan Hot Summer, a nationwide military summer offensive, CCJP said.

The biggest evacuation in Davao in recent years occurred in 1987 when about 9,363 families evacuated due to extensive military bombing operation.

Military Accused of Rights Violations in Palawan

HK2808082891 Manila THE CHRONICLE in English 28 Aug 91 p 3

[By Danilo Agoncillo]

[Text] An investigation mission made up of ten cause-oriented groups has accused the military of committing gross human rights violations against peasant families in northern Palawan.

The violations, reportedly committed only last June, were said to be similar to those perpetrated in Marag Valley, Cagayan, where hundreds were killed, injured, raped or had lost their livelihood due to Oplan [Operation Plan] Salidumay Nakilala [translation unknown] the military counterinsurgency operation in the area.

Areas hit by the violations, the mission said, were Barangay Antonino, Taradungan and Mendoza, and Sitio Maragoc, all in Roxas, Palawan.

In its report, the mission accused soldiers of the 7th Marine Batalion Landing Team of launching operations without the knowledge or consent of local governments; triggering the economic dislocation of the impoverished residents; robbing the residents of food and other resources; taking liberties with teenage girls in the areas; and coercing residents into building a military detachment and barangay hall without compensation.

It also accused the military of disrupting activities and harassing members of two non-government organizations [NGO's] allegedly suspected of being communist

fronts and responsible for livelihood enhancement programs for Palawan peasants since 1985.

The mission also accused the military of disguising their intentions to pan for gold in Barangay Antonino with counterinsurgency operations.

Subjected to military harassment, the mission said, were the Palawan Center for Appropriate Rural Technology, a professionals group providing training for agricultural, agroforestry, animal husbandry and health projects to Palawan residents; and the Samahan ng Mga Magsasaka ng Palawan [Farmers Association of Palawan], a provincial farmers' federation seeking the implementation of agrarian reform, protection and conservation of the environment; and the implementation of socioeconomic development projects for Palawan farmers.

The mission is demanding that the government conduct a more extensive investigation of the incident, similar to that undertaken by the Department of Justice in Marag Valley.

It also demanded that the military:

—Indemnify the farmers' harvests, equivalent to 2,000 cavans of rice, 500 sacks of cassava and undetermined losses on harvests of monggo beans, corn, vegetables, and on pigs, chickens and goats.

—Stop coercing farmers to report daily to them, abolish the imposition of curfew and give farmers safe access to their farmers.

—Relocate their detachment outside the barrio center to avoid involving residents in encounters with the New People's Army.

—Pay for the cement, labor and other expenses incurred by the residents in building their detachment for them.

—Return properties confiscated from the NGOs, including seven sacks of rice, 19 bags of cement, three mats, three mosquito nets, two pails, one washbasin, three tables, various kitchen ware, training materials on agriculture, a blackboard, bolo and ax.

—Respect the local governments and stop subjecting residents to illegal searches, arrests and detention; forced labor, hamletting; and all forms of physical and psychological harassment.

—Respect NGO development initiatives and uphold the Constitution and the United Nations Declaration on the Right to Development.

Mission members include the Council for People's Development, Inter-NGO Network for Participatory Development, Ausculta Services Consortium, Sibol ng Agham at Teknolohiya [Seedling of Science & Technology], Philippine Environmental Action Network, Philippine-Global Exchange, Haribon and Task Force Detainees.

Police Discover Communist Rebel Escape Plan

HK2608122291 Manila MANILA BULLETIN in English 25 Aug 91 p 8

[By Robert Requintina]

[Text] Philippine National Police (PNP) authorities revealed yesterday a plan by ranking Communist Party of the Philippines-New People's Army (CPP-NPA) leaders detained at Camp Crame Detention Center in Quezon City to escape before the end of this month.

Director Gerardo N. Flores, chief of PNP Directorial Staff, made the disclosure after joint elements of the PNP Intelligence Command and the PNP Custodial Group conducted a surprise search and inspection operation on 21 detainees at the center at 7 a.m. yesterday.

Flores said that some of the communist leaders were to escape with the help of unidentified men outside the detention center.

Flores said the planned jailbreak was confirmed by one of the detainees.

Flores said that the inspection resulted in the confiscation of computer diskettes and communist documents, including a computer printout on the escape plan.

One of the detainees, Rafael Baylosis, the CP secretary-general before his arrest, said that the seizure of their belongings was illegal.

"This is illegal. They have no proper authorization. They got out properties (diskettes) withoujt our consent. This is reminiscent of Marcos' illegal arrests-gestapo style," Baylosis said.

He claimed also that the diskettes taken from them contain "computer games, court records and writing jobs."

Rodolfo Salas, another detainee, said that they will file charges against the police before the Commission on Human Rights (CHR) and the Department of Justice (DOJ).

Director General Cesar P. Nazareno, PNP chief, ordered the security forces manning the detention center where 21 senior CPP-NPA personalities are detained to be more alert.

Nazareno also ordered strict implementation of rules on visitors and visiting hours in the cells and in the whole camp.

Intensified operations by the military and the police have resulted in the arrest of 14 CPP-NPA personalities since last month. Those arrested include NPA chief Romulo Kintanar and his wife Gloria Asuncion-Jopson.

On Aug. 14, 1991, the sister-in-law of Kintanar, Irma dela Cruz, sister of Jopson, was nabbed by jail guards for allegedly trying to slip a Swiss survival kit to Kintanar.

'High-Ranking' Communist Leader Asilo Killed

HK2908073691 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0710 GMT 29 Aug 91

[Text] A high-ranking communist guerrilla officer was killed yesterday in Legaspi City. The rebel leader was identified as Carlito Asilo alias Carlito Imperial, secretary of the Masbate Guerrilla Front Committee and member of the Bicol Regional Party Committee.

According to Chief Superintendent Vicente G. Vinarao, director of the Criminal Investigation Service [CIS] Command, Asilo resisted when he was approached by CIS agents while he was entering Mayon Riviera Subdivision. Asilo carries a capture reward of one thousand pesos. [as heard]

Government Negotiates New World Bank Loans

HK2908040391 Manila THE CHRONICLE in English 29 Aug 91 pp 1, 3

[Text] The Philippines is negotiating for new loans from the World Bank [WB], totalling about $350 million, to finance priority programs, official sources said yesterday.

Of the new loans in the pipeline, $150 million will be for export development, $150 million for highway management, and $40-$50 million for science and engineering education loan program.

Disbursement of the loans is expected early next year.

The sources added that the WB was considering allocating some of the funds from the $125-million earthquake rehabilitation program to rebuild infrastructure destroyed by the Mt. Pinatubo eruptions.

Earlier, Budget Secretary Guillermo Carague announced the government would ask its official foreign creditors to shift about $1 billion in already committed official development assistance (ODA) to the Mt. Pinatubo rehabilitation project.

The foreign financing will support about P [Philippine pesos] 10 billion in internally generated funds for the Mt. Pinatubo rehabilitation project.

The same sources, meantime, said the $150-million export development fund to be administered by the Central Bank [CB] will beef up CB's rediscounting window to provide low-cost financing for exporters.

This early, the WB is eyeing a Japanese or another multilateral financial institution to co-finance the export sector development loan program.

The CB this year offered 100% rediscounting to exporters to allow them to enjoy interest rates as low as 14% although average commercial rates are from 27% to 29%.

The WB export development loan is one of the first of the new credit lines being negotiated by the Philippine Government as part of the $1-billion jumbo loans for priority economic sectors like exports, trade and investments, and energy.

On the $150-million highway management loan, the government has reopened negotiations for the loans Manila had cancelled for lack of peso counterpart funds.

The WB normally requires a recipient-country to shoulder 30-35% of the total project costs.

For the 1991 budget, Congress slashed the peso counterpart funds for foreign-assisted projects to P23 billion from the original program of P30 billion.

The highway management loan will be used by the Department of Public Works and Highways [DPWH] to upgrade, rehabilitate and strengthen highways and help strengthen the DPWH's management of the highway system.

Under this program, the government has reportedly proposed to the WB to shift a portion of the $150 million to the rehabilitation of infrastructure damaged by the Mt. Pinatubo eruptions.

Sources said the $40-$50 million science and engineering education loan program will provide financing for faculty training and laboratory upgrading for science and technical education.

Commodity Imports Said To Drop Through 15 Aug

HK2608114891 Manila THE CHRONICLE in English 26 Aug 91 p 1

[Text] The economy continues to slow down as shown by the sustained drop in importations, a barometer of business expansion, to $5.407 billion as of last Aug. 15, or a drop by 8% from the $5.87 billion import level during the same period last year.

Central Bank [CB] figures showed that of the total, non-oil imports accounted for $4.442 billion, down from $4.94 billion last year.

Non-oil imports mostly cover commodities tht beef up domestic production such as capital equipment and raw materials.

The CB, meantime, reported that oil imports grew a slight 3.3% to $965.48 million, from the $934.65 million durign the same period last year.

The slowdown in importation began at the start of the year following the government's imposition of a 9% across-the-board import levey in January to help gnerate about P20 billion in additional revenues for the government this year.

The resulting slowdown in business activities as a result of the import tax disincentive, however, has prompted the government to scale down the duty to 5% beginning this month.

Acting CB Governor Gabriel C. Singson, meantime, said it would be difficult to predict if the reduction in the import duty would lead to an increase in importation during the second half of the year.

Traditionally, imports register increases in the second half of the year, in anticipation of bigger consumer demand during the holiday season.

CB data showed that a decrease in imports has been posted since the start of the year, with the first semester decline of 9.06% to $4.217 billion, from $4.637 billion for the first half of 1990.

In the first five months of this year, the trade gap was reported to have narrowed to $1.52 billion, from $1.58 billion during the same period last year mainly due to the slowdown in imports.

Bankers interviewed by the Chronicle said letters-of-credit openings last week surged by an average of 10-15% among banks because of the phasedown of the import levy from 9% to 5%.

Bankers said the implementation of the global comprehensive import surveilance system (CISS) by Societe Generale Surveilance (SGS), the levy phasedown and the coming holiday season is expected to trigger a rush of LC openings by next month.

Foreign Investment Surges in First Six Months

HK2908062991 Manila BUSINESS WORLD in English 29 Aug 91 pp 1, 6

[By Ma. Gertrudes M. Chavez]

[Text] The current foreign investment scene is proving to be a puzzler to both private and government economists. Despite what has been perceived as an economic slowdown in the first semester of this year, investor confidence during the period appears to have been stronger than ever, contrary to wide-spread expectations.

Central Bank [CB] data show that direct foreign investments in the first six months of 1991 surged 192.5% to $237 million from last year's $81 million, a senior CB official foresees an uptrend in foreign investments within the next eight months because of current moves to liberalize foreign exchange regulations.

The private sector, on the other hand, is skeptical, noting that the country "still lacks government maturity" to be able to take advantage of foreign investor interest.

Erratic Trend

CB data disclosed that while foreign investments during the period added up to a substantial level vis-a-vis that of last year's, the trend has been somewhat erratic. A CB source described the foreign investment data as "somewhat patternless."

For instance, in January, foreign equity investments totalled $55 million; February, $18 million; March, 423 million; April, $25 million; May, $91 million; and June, 425 million. On a month-on-month basis, the 1991 figures were much bigger than their 1990 counterpart.

However, what took a beating were foreign investments in the stock market. Official data showed that foreign stock market investments from January to April this year amounted to only $101 million, down 40.9% from last year's $171 million. The CB official noted that foreign investments in the stock market would not be an appropriate gauge of investor confidence since these investments are basically short-term in nature. Further, he said, stock investments are highly volatile since there could be rapid change in ownership in a brief period.

A better barometer, the official indicated, is foreign equity in corporations which are more or less long-term in intent. And based on CB data on foreign corporate equity, there is still growing interest in the Philippines, he said.

He went further by saying that current levels could exceed government projections on foreign investments.

The CB has estimated foreign investments in 1991 to hit roughly $700 million.

Boost

What would be a great boost, the official pointed out, are revisions on the foreign exchange rules which will take effect possibly by the fourth quarter.

In essence, the CB intends to liberalize foreign exchange controls, one problem pinpointed by a foreign businessman as a virtual "vise grip" on their invetment plans.

While such moves are welcome, investors doubt whether they are substantial. Analysts feel that the changes could be superficial and may not approximate those being enforced by control-free countries like Hong Kong, Singapore and Indonesia.

Misleading?

Private economists interviewed by BUSINESS WORLD further do not share the CB's optimism in the foreign investement scene. A top executive from a leading real estate company feels the CB data on first semester foreign investments are misleading.

He noted that while foreign equity during the period is huge in absolute terms, these investments should have entered the Philippine economic mainstroam last year.

"The $237 million were just deferred investments," he stressed.

Last year, foreign investors had to shelve investment plans in the country due to a host of natural and economic problems. He maintained that when the situation improved in the beginning of the year, they brought in capital.

"But take note, these investments have not really gotten off because most of the projects have sat it out, waiting for the proper time. Foreign investors wouldn't want to get caught up in the elections so they figured that it would be to their advantage to come in now," the real estate official explained.

This is the reason, he further said, that despite huge foreign investment, the economy grew to only a little above 1% in the first semester.

Wide Market

Joseph Roxas, research head of R. Coyiuto Securities, Inc., pointed out that the reason foreign investements grew in the first half is that the Philippine market is still a wide area. "There are many sectors in which the foreigners can penetrate primarily because there is inadequacy of production," he explained.

By and large, echoing the views of those in the private sector, he does not anticipate much increment in foreign investments in the near term because of the presidential elections.

"Until this is resolved, foreigners would not invest. Besides, the candidates are so diversified that not one candidate is miles ahead," he said.

Such certainty contributes to caution among foreign investors. "I believe they would be postponing investments until 1993," Mr Roxas added.

Exports to UK Reportedly Down by Three Percent

HK2708143791 Manila THE CHRONICLE in English 27 Aug 91 p 2

[Text] Following the trend last year, Philippine exports to United Kingdom (UK) continued to dip for the first four months of the year, figures furnished by the British Embassy showed.

According to the UK Overseas Trade Statistics, RP [Republic of the Philippines] exports to the UK dropped slightly by 3% to 77 million Pound ($130 million) from 79.9 million Pound ($135 million) for the same period last year. This was despite the increase recorded in April when UK imports from the Philippines reached 23 million Pound ($38.9 million), up by 23% from the same month last year.

Trade Balance

Despite the drop in RP exports, the Philippines continues to enjoy a trade surplus with Britain whose exports to the country, meanwhile, went down by 21% to 45 million Pound ($76 million). The balance of trade was 32.3 million Pound ($54.7 million) for the four-month period, bigger than the 23 million Pond ($38 million) balance recorded last year.

Although the Philippines has been enjoying a trade surplus with UK for many years already, the balance has been narrowing down since 1988. The highest surplus was recorded in 1984 when it reached 108 million Pound ($183 million). Last year, the trade balance shrank by 34% to 62.7 million Pound from the 1989 level of 95.7 million Pound ($162 million).

The list of top ten exports for the period showed no major difference from last year's list. Biggest exports to UK for the January to April period were apparel articles (second last year), making up 22.4% of the total exports. Electrical machinery came in second, comprising 21.5%, followed next by cork and wood manufacturing, making up 17.2%.

Other top exports include footwear, vegetables and fruits, furniture, fish and crustaceans and other manufactured goods like imitation jewelry and cigarette lighters.

Philippine Imports

On the other hand, the leading RP import product from UK was electrical machinery (also last year's biggest import) like transistors, cornering 27% of the total imports. This was followed by power generating machines, making up 9.4%; chemical materials, 7.3%; and general industrial machinery, 4.8%.

Other leading import goods included beverages, specialized machinery, essential oils, pharmaceutical products, organic chemicals and dairy products.

Balance of Trade With Austria Shows Improvement

HK2708143491 Manila THE CHRONICLE in English 27 Aug 91 p 2

[Text] The balance of trade between Austria and the Philippines for the first half of the year shifts in favor of the latter, figures furnished by the Austrian Embassy show.

The drop in RP [Republic of the Philippines], import of Austrian goods accounted for this reversal in trend. Last year, the Philippines incurred a negative trade balance with Austria because of the huge increase in its import of communications equipment from the European country. This, along with other imports from Austria went down by 42% to 158.9 million Austrian shillings (around $13.2 million) for the first six months of the year compared to the similar period last year.

Exports

On the other hand, Philippine exports to the European country remained almost unchanged, with the volume dipping slightly from 218.5 million shillings ($18.2 million) last year to 218.2 million shillings (18.18 million) this year. This places the trade balance at 59.3 million shillings ($5 million) with Austria incurring the deficit. For the January to June period last year, the deficit, amounting to nearly the same amount (56 million shillings or $4.6 million), was borne by the Philippiens.

Albin Mauritz, commercial attache of the Embassy of Austria attributed the drop in imports from Austria to the 9% levy which held back businessmen from making huge capital investments.

He pointed out the substantial decrease in the volume of imports of Austrian electronic components, communication equipment, machinery and parts (biggest import item last year at 55.4 million shillings) and refractory and construction material, all capital acquisitions, as reflective of the hesitation generated by the 9% import levy.

"We expect that RP imports will still grow, but we doubt if the figure will approximate that of last year's," he said.

The top RP exports to Austria for the period were electronic components (70.3 million shillings or $5.8 million), garments, communication equipment and noniron scrap.

Thailand

Anan on Temple Killings, SNC, Draft Charter

BK2908071391 Bangkok Radio Thailand Network in Thai 0530 GMT 29 Aug 91

[Text] Prime Minister Anan Panyarachun answered questions by reporters on various issues at Government House this morning.

About news reports that U.S. authorities have arrested some suspects for the recent killings of Thai monks in Phoenix, Arizona, the prime minister said he has not yet been informed of the matter.

Asked if Thai officials will be sent to coordinate in the investigation of the case, Anan said since the incident took place in the United States, it is therefore the duty of U.S. authorities to handle the case. However, cooperation between U.S. and Thai authorities has already been carried out, he added.

To a question on the results of the current meeting of the Cambodian Supreme National Council [SNC] in Phatthaya beach resort, the Thai premier remarked that it would be good if the objectives of the meeting were not changed. He said he wished the outcome of the SNC meeting to be in line with the United Nations peace plan for Cambodia.

Asked about remarks that the scrutinizing committee may not be able to fully perform its duties in deliberating the draft constitution in the second reading, the prime minister replied that he has had no part in drafting the constitution, he therefore is not in a position to give any comment on the matter.

Spokesman Reports Cambodian Border Situation

BK2908081091 Bangkok Radio Thailand Network in Thai 0530 GMT 29 Aug 91

[Text] General Narudon Detpradiyut, acting director of the Information Office of the Supreme Command Headquarters, spoke about the current situation along the Thai-Cambodian border.

He said that currently the sound of gun shots in clashes inside Cambodia has died down due to the cease-fire agreement among all the warring Cambodian factions, who are attending the meeting of the Cambodian Supreme National Council [SNC].

During the period the SNC meeting is under way, the United Nations, international organizations, and various countries have reduced their assistance to Cambodia, causing hunger among the Cambodians. With weapons in their hands, Cambodian soldiers turned into groups of bandits to rob Thai people along the border. Sometimes, they even robbed their fellow Cambodians, and those in the refugee camps in Thailand were no exception.

If the United Nations, or those countries that used to render assistance to the Cambodians, do not repeat their feat, other problems will crop up as a consequence.

Paper Criticizes 'Retrogressive' Constitution

BK2808012191 Bangkok BANGKOK POST in English 28 Aug 91 p 4

[Editorial: "A lesson our leaders should take to heart"]

[Text] The ongoing spectacular drama in the aftermath of the failed coup by communist hardliners in the Soviet Union is sending dominoes spinning and destroying once-sacred cows at a prodigious rate. The fast-paced changes taking place in what was once the Soviet empire bring to mind the tearing down of the Berlin Wall in 1989 which led to the historic reunification of the two Germanys a year later. Within the space of a few days after the coup crumbled and its plotters and conspirators were unmasked, the world has witnessed the demise of the Soviet Communist Party, the breakup of the powerful Soviet empire and the secession of the Soviet republics in near-disbelief.

Ironically, the Cold War-era domino theory which postulates that if one country should fall under Communist dominance, others would quickly follow is being played out in earnest in the socialist superpowers. Yet, the current breath-taking political upheaval in the Soviet Union is, indeed, a real cause for jubilation and inspiration for all democratic aspirants.

On the home front, unfortunatley, there seems to be little cause to rejoice. The February 23 coup d'etat by the Natoinal Peace Keeping Council [NPKC] not only sounded the death knell for some major political parties, but also stalled the country's advance towards full

democracy. Absolutist tendenices and an open dislike for unguided democracy which seems to prevail among the military leadership are, apparently, manifested in the manner in which the draft constitution has been written.

Admittedly, there are several laudable points in the draft charter which include the lowering of the voting age from 20 to 18, the appointment of the Ombudsman watchdog against executive excesses and the call for eradication of vote buying and corruption. But these positive aspects seem to be overshadowed by the democratically-retrogressive provisions hidden in the draft. The most controversial aspects include the implication that the prime minister need not be an elected representative; the wideranging powers given to the nine-man Constitution Committee; and the difficulty of amending the constitution which requires, at least, a two-thirds majority of members of the Upper and Lower houses.

Despite the spontaneous outcry against the draft charter by democratic forces, the National Legislative Assembly seems unlikely to deviate from its rigidly-fixed position. This is hardly surprising. During the debate yesterday on the controversial provision regarding the Constitution Committee, most assemblymen appeared to be in favour of the committee. It would be illusory to expect the rubber-stamp Parliament to attempt any radical changes to make the constitution more democratic without first receiving an instruction from the powers-that-be. Despite its repeated claims of non-involvement in the drafting of the charter, there is little doubt that the National Peace Keeping Council has the final say in effecting changes which are still possible in the scrutinising stage after passage of the charter in its first reading expected today.

It is, indeed, a sad irony for our compatriots in the countryside to be told what democracy is and what they should do to help cherish this ideology by the same people who put down a democratic administration through the use of force. The political winds of change sweeping across the plains of the Soviet Union bear testimony of how democratic aspiration, nurtured by glasnost and perestroyka, could not be restricted or buried.

The NPKC could win overwhelming support, even among its most hostile critics, and do this country a great service if it adopts an open mind and steers our nation back on a genuinely democratic course.

Developers To Pay Army Units To Leave Bangkok

BK2708043391 Bangkok THE NATION in English 27 Aug 91 p A4

[Text] The Army plans to gradually move the majority of its combat units in Bangkok to the provinces under financial arrangements that will allow property developers to exploit the present military installations in exchange for funding the relocation, a senior Army officer said.

Gen Chatchom Kanlong, assistant Army commander in chief, said yesterday the Army was considering moving Army units out of town, including the Second Cavalry Division on Pahonyothin Road, which would be moved to Saraburi.

"The relocation of the Second Cavalry Division is a pilot project to test the viability of the financial arrangement with the private sector which was approved by the Treasury Department," Chatchom said.

The Treasury Department owns all public land belonging to government agencies.

Under the arrangement, property developers will be invited to submit their offers to build a new Army installation on a plot of land in the provinces owned by the Army. In exchange, they will be allowed to commercially exploit the present site of the Army unit when it moves out.

The assistant Army chief said the relocation would not require any government funding.

"We are moving Army installations out of Bangkok because of incoveniences, such as traffic congestion, caused by the movement of troops, which also (has caused rumours that) affect the country's economy," he said.

Bangkok-based Army units have played an instrumental role in all previous coup attempts and have often been the determining factor affecting whether a coup attempt is successful.

Chatchom said if the relocation of the Second Cavalry Division was successfully carried out under the arrangement, other Army installations, including the Fourth Cavalry Division in Kiakkai in Bangsue, would also be moved.

The only Army installations to remain in Bangkok would be the Royal Guards units, according to the assistant Army chief.

"The whole process of relocation would take between 15 to 20 years," he said.

The proposal to move Army units out of Bangkok was initiated by former Army chief, Gen Chawalit Yongchaiyut, several years ago.

Chatchom said that 53 second-hand M-60 tanks the Army ordered from the United States at a price of more than Bt [baht] 1 billion was expected to be delivered next month.

Vietnam

VNA Reports American Peace Walk

BK2908064191 Hanoi VNA in English 0557 GMT 29 Aug 91

[Text] Hanoi VNA August 29—A group of Americans including three war veterans are staging a peace walk which will take them south to Ho Chi Minh City.

The group, working in conjunction with the Vietnam Peace Committee and the Vietnam-US Friendship Association, arrived last Saturday in Hanoi from where it went to Quang Ninh Province.

Back in Hanoi on Wednesday afternoon, a representative of the group, Mr. Freddy Champagne, presented flood victims in Son La with 15 cases of medicines and medical instruments.

On this occasion, the leader, Mr. Alan Alfred, told the English language paper VIETNAM NEWS that the group, as member of International Peace Walk and International Peace Works, had for [an] objective the normalisation of relations between the United States and Vietnam and the lifting of the US trade embargo on this country.

He said his group supported Vietnam in its renovation policy and would take every chance to cooperate with Vietnam in different peace projects.

The group leaves Hanoi today for Hue and, afterwards, Ho Chi Minh City.

Hanoi Forum on ASEAN Cooperation Concludes

BK2808164891 Hanoi VNA in English 1527 GMT 28 Aug 91

[Text] Hanoi VNA Aug 28—The Forum on political and economic cooperation between ASEAN, its member states and Vietnam, Bi- and multilateral perspectives closed here today after three days' sitting.

The participants heard reports from Professor Dang Xuan Ky, director of the Vietnam Committee for Social Sciences, Dinh Nho Liem, first vice foreign minister, Dr. Hobert Von Hoffmann, resident representative of the Friedrich Ebert Institute in Hanoi, and other scientists and managers from Thailand, Indonesia, Malaysia, Vietnam, the Philippines, Brunei and Singapore.

The reports dealt with many issues concerning the political and economic relations between ASEAN, its member states and Vietnam and other countries in the region and the world as a whole, the interaction between countries as well as the importance to strengthen the economic cooperation for the sake of each country and of a Southeast Asia of friendship , stability and development.

ASEAN guests to the forum thought that though the relations between Vietnam and ASEAN have gone through ups and downs, the relation bridge between Vietnam and ASEAN has never been cut off. In the new situation, the relations between Vietnam and ASEAN may further develop. In the recent past, economic ties between Vietnam and ASEAN have been developed. The goods exchange between Vietnam and Thailand in the 1987-1990 period increased by 12 times, between Vietnam and the Philippines by 3.4 times, Vietnam and Malaysia: 3 times, Indonesia: 2 times and Singapore: 1.5 times. Some ASEAN countries such as Thailand, Indonesia have set up joint ventures with Vietnam.

The founding of joint commissions for economic cooperation has become an imperative need of ASEAN countries in their economic relations with Vietnam.

So, the bilateral relations between Vietnam and ASEAN countries have been developed and broadened in many fields. In the new situation, it is imperative for both sides to improve the cooperation quality for the sake of peace, development and in order to cope with challenges from inside and outside. To develop bilateral relations is a condition for the development of multilateral relations between Vietnam and ASEAN.

Export, Tourism Expo Planned for Hong Kong

BK2808162391 Hanoi VNA in English 1519 GMT 28 Aug 91

[Text] Hanoi VNA August 28—The first exhibition on Vietnamese exports and tourism (VIETEXPO-Hong Kong 91) will be organized in Hong Kong from October 22-25, 1991 by the Vietnam Chamber of Commerce and Industry.

At this exhibition, Vietnam will introduce to customers from various countries many export articles as well as great potential in exploiting and developing Vietnamese tourism and possibilities for investment cooperation, etc.

So far, more than 30 corporations, companies and production units have registered their participation in the Vietexpo-Hong Kong 91.

Vo Chi Cong Sends Greetings to Hungary

BK2808111691 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 19 Aug 91

[Text] Today, 19 August, Vo Chi Cong, chairman of the Council of State, sent a message of greetings to Goncz Arpad, president of the Republic of Hungary, on the National Day of the Republic of Hungary.

The chairman wishes prosperity and happiness to the people of Hungary, and desires that the friendly relations and cooperation between Vietnam and Hungary continue to strengthen and develop for the benefit of the two countries and for peace and social progress.

Economic Briefs on Exports by Enterprises

BK2808091091 Hanoi VNA in English 0612 GMT 28 Aug 91

[Text] Hanoi VNA August 28—The Hai Duong Porcelainware Factory in the northern Province of Hai Hung has exported its first consignment of goods to Algeria including 13,000 coffee sets valued at 100,000 U.S. dollars. The factory has marketed 40 new porcelain items which are highly competitive on the domestic market. Many foreign companies have placed orders with the factory.

—The Minh Long Ceramic Goods Enterprise in the southern Province of Song Be has delivered many consignments of porcelainware to foreign countries. The enterprise has begun exporting ceramic toilet equipment to Australia, urns and other porcelain altar objects to Japan, and procelain elephants to South Korea.

—Products of the Hoang Thi Loan Knitwear Factory in the central Vietnam Province of Nghe An have been exported to France, Sweden, Italy and Hong Kong, grossing U.S. dollar 750,000. In the second semester of 1991 the factory will export 200,000 knitwear articles to Japan and South Korea.

—The Ha Dong Wool and Dyeing Factory in the northern Province of Ha Tay has grossed more than U.S. dollars one million by subcontracting of producing export goods under joint ventures. The factory has signed a contract with New Zealand to make woolen jackets with materials supplied by Australia.

—The Footwear Enterprise No. 7 in Haiphong has delivered 150,000 pairs of cotton and jute shoes and slippers to Czechoslovakia, Bulgaria and Japan. The Hanoi Leather Shoes Factory has won two contracts to supply shoe-uppers and school bags to Africa valued at more than U.S. dollars one million.

Import-Export Corporation Begins Operations

BK2808163891 Hanoi VNA in English 1538 GMT 28 Aug 91

[Text] Hanoi VNA August 28—The Vietnam Import-Export, Service and Investment Stock Corporation (VICOSIMEX) has formally opened its operation. The corporation the first of its kind in Vietnam, is a unit of the Ministry of Trade and Tourism, specializing in import and export, investment and service transaction with Cambodia and other markets. It plans to achieve an import-export turnover of U.S. dollars 60-80 million in the first year of operation.

The first congress of shareholders was held in Ho Chi Minh City recently. Prominent among Vicosimex' 45 shareholders, who contributed over [words indistinct] each, are Vikamex, Imexcon, Technoipor, Vimedimex Saigon, Tan Binh Export Goods Processing and Supply Enterprise, Legamex (leatherware), etc. Tran Duc Thinh, Vikamex director general, was elected president [words indistinct] of the Managerial Board and director general of the corporation.

ICRC Donates 10 Soviet Jeeps to Red Cross

BK2808162091 Hanoi VNA in English 1543 GMT 28 Aug 91

[Text] Hanoi VNA August 28—The Vietnam Red Cross received today ten Soviet-made jeeps as aid from the International Committee of the Red Cross (ICRC).

The cars will be distributed to the Red Cross organizations of the Provinces Gia Lai, Ha Tay, Quang Binh, Lam Dong, Thai Binh, Long An, Kien Giang, Ha Bac, which are running short of transport means for its humanitarian activities.

This is the second time ICRC gave cars as aid to the Vietnam Red Cross. The first time was in September 1990 with 11 Sunh [as received] cars.

Do Muoi Resignation Speech at National Assembly

BK2908062191 Hanoi NHAN DAN in Vietnamese 10 Aug 91, p 1

[Resignation speech by Do Muoi from the post of Council of Ministers chairman delivered at 9 August eighth National Assembly's ninth session in Hanoi]

[Text] Esteemed Presidium of the session:

Dear National Assembly Deputies, the Seventh Communist Party of Vietnam [CPV] Congress concluded recently with splendid success. The new party Central Committee has elected me as general secretary of the party. To effectively carry out the important duty entrusted me by the party, I solemnly ask the National Assembly to relieve me from the post of Council of Ministers chairman and elect a new chairman to replace me.

During the past three years, the Council of Ministers and I have positively contributed our efforts, together with other state agencies, to institutionalize the party renovative lines and decisions of the National Assembly and the Council of State, to enhance the state management and executive capabilities, and to resolve pressing issues in the socioeconomic situation and the people's daily life, thereby contributing to initial yet very important achievements in the cause of national construction and defense of our entire party and people. We realize, however, that many tasks have not yet been fulfilled and some completed ones were not up to the mark to effectively implement the National Assembly resolutions. As a result, shortcomings are still prevalent in the management and execution of tasks by the Council of Ministers.

On this occasion, on behalf of the Council of Ministers and on my own behalf, from the bottom of my heart, I would like to express my sincere gratitude for the effective cooperation, coordination, and wholehearted and valuable support extended to the Council of Ministers by

the National Assembly deputies, members of the Council of State, National Assembly committees, the Vietnam Fatherland Front, mass organizations and societies, cadres and combatants, and countrymen and comrades at home and abroad.

Dear National Assembly deputies, at present, our nation is charged with new and very heavy tasks. It is essential for us to quickly resolve many difficult, complicated, and urgent issues related to the socioeconomic situation. We are firmly convinced, however, that under the beacon of the Seventh CPV Congress resolutions, with our persistent efforts to accelerate the renovation undertaking, first of all the economic and then the political renovations, and with our determination to democratize social activities, step by step improve the people's daily life, and consistently expand international cooperation, it is certain that our party, state, and people will lead our nation to stabilization and firm, vigorous development.

With my new position and as a deputy of the National Assembly, I pledge that I will make my utmost efforts to positively contribute to renovating the party leadership over activities of state agencies to enhance the efficacy of state management and ensure the people's rights to mastery, thereby making our state the authentic state of the people, by the people, and for the people's happiness.

I cordially wish all National Assembly deputies good health.

I wish the eighth National Assembly's ninth session splendid success.

Law on Forest Protection, Development Promulgated

BK2808112091 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 20 Aug 91

[Text] On the afternoon of 20 August in Hanoi, the office of the National Assembly and the Council of State held a news conference to provide information on the law on forest protection and development. The law was passed by the SRV National Assembly on 12 August 1991.

At the news conference Comrade Tran Xuan Thuy, vice minister of forestry, explained the need to promulgate a law on forest protection and development. He also presented some main contents of the law and how to implement it.

Apart from the preamble, the law consists of nine chapters and 54 articles that were stipulated in a close logical order. The law will be promulgated on 23 August 1991.

Ho Chi Minh Youth Union Holds Meeting

BK2808101491 Hanoi VNA in English 0559 GMT 28 Aug 91

[Text] Hanoi VNA August 28—The Central Committee of Ho Chi Minh Communist Youth Union (5th Congress) held its 6th session in Ho Chi Minh City from August 24-28 to review the youth activities over the past three years and measures to strengthen the youth union in years to come.

The participants also heard the draft political report and the draft amendment to the union's regulations, which will be submitted at the 6th National Congress of the Ho Chi Minh Communist Youth Union.

They also pointed to the shortcomings and weaknesses in the youth movement and spent much time on the discussion of measures to better the youth activities and strengthen the union.

Journal Marks August Revolution

BK2808110191 Hanoi Voice of Vietnam Network in Vietnamese 2330 GMT 18 Aug 91

[TAP CHI QUOC PHONG TOAN DAN editorial: "The Glorious Victory of Marxism-Leninism and Ho Chi Minh's Thoughts"—date not given]

[Text] Our seventh party congress affirmed: Persisting on the socialist path is the only correct choice of our party and people. However, there are people who want to reject and oppose socialism. Even worse, they want to deny the great victories of the two sacred resistance movements against the French and then the Americans that brought national independence and unification and paved the way for our entire country to move toward socialism. There are also people who have come to vacillate and who want to resort to a third approach. They maintain that by following capitalism, one can also enjoy independence and freedom and make the people prosperous and the country powerful. But it is certain that no one among the Vietnamese people can deny the victory of the August Revolution which regained independence for Vietnam from the hands of the Japanese and the French 46 years ago.

The victory of the August Revolution was precisely the victory of our choice for socialism and for a way to liberate the nation. It was the first glorious victory of Marxism-Leninism and Ho Chi Minh thought in our country.

The history of our Vietnamese people's anti-French struggle during the 1920's-30's has proved that fact. Our people on several occasions rose up to fight in various struggles and their courage was great. Although with different class motivations, many Vietnamese patriots whose wisdom was second to none strenuously searched for a way to save their country. Unfortunately, all these struggles failed and it seemed that there was no way out for the Vietnamese people's national salvation struggle. But reality proved to be different. From a distant corner of the world, our esteemed Uncle Ho cried with joy when he found a way to achieve his nation's salvation.

Mistreated and suffering compatriots! Here is what you must do and here is the way to liberate yourselves!—Ho Chi Minh uttered as if he were speaking before a large

number of people when he sat alone in his room, reading one of Lenin's books entitled *First Outline of the Problems of Nations and Colonies.*

Ho Chi Minh's initial yet greatest contribution was that he creatively applied Marxism-Leninism to the specific conditions of Vietnam and of other colonial countries as a whole, further developed this doctrine by presenting new theses on colonial revolution, and introduced a great epochal truism, that is, that national independence should be linked with socialism. Thus, it also meant linking the nation with our time. This is because starting off with the Great October Socialist Revolution in Russia, the present stage is one of transition to socialism—the stage in which the working class becomes the central figure. This is also because gone forever is the era when the bourgeoisie constituted the force to liberate the nation and lead the worker-peasant masses in the struggle against the feudal regime and when national independence was linked with capitalism, as was the case with many countries in Europe.

Ho Chi Minh used the term "two-sucker leech" to refer to imperialism and the term "double-winged bird" to denote the world revolution. He laid bare the nature of imperialism and the organic relations between the revolution in a colonizing nation and the revolution in its colonized nation. More importantly, he pointed out the dynamism of the revolution in a colonized nation as well as the prospects for the quicker success of the revolution in a colonized nation than the revolution in a colonizing nation. To achieve this goal, he said, it is necessary to use our own force to liberate ourselves. National revolution must be led by the working class the the communist party and it must ally itself with the proletariat and other peoples in the colonizing nation concerned as well as with the proletariat in other nations throughout the world.

Ho Chi Minh was also known as "Nguyen Ai Quoc," meaning a patriot. For his entire life, Ho Chi Minh always deserved being called Nguyen Ai Quoc. This great personality of the Vietnamese nation ventured out of his country in search of a way to save it. He eventually reached a conclusion: There is no other way to save the country and liberate the people than to carry out the proletarian revolution. When becoming a communist, he pointed out: To liberate the working class, we must liberate the nation and only when the national liberation revolution develops into a socialist revolution can we achieve a total victory. Of course, national independence and socialism are two different spheres of activity. The national liberation revolution and the socialist revolution were the two great epochal revolutionary trends. It is wrong to realize only national independence without being aware of socialism or vice versa. But only with the merger of these two revolutionary flows could we generate a revolutionary current strong enough to flush away all obstacles and push ahead the wheel of mankind's history. Meanwhile, the merger of these two flows was to be adjusted in such a way as to suit the specific historical conditions in various struggles of each nation during different revolutionary stages.

It is precisely due to a decision made by our party and Ho Chi Minh to alter the revolutionary strategic course—as reflected in the resolution of the eighth party Central Committee in 1941 which set the priority for the national liberation undertaking and which founded the Vietminh Front—that led the August Revolution to success amid a favorable international situation at that time. Obviously, this was a glorious victory for Marxism-Leninism and Ho Chi Minh thought, the victory of a choice for socialism and for a way discovered by Ho Chi Minh to liberate the nation.

The trends toward national independence and socialism were correctly combined and adjusted by our party to suit the two sacred resistance movements—during the wars of resistance against French colonialism and U.S. imperialism. After all, during the people's national democratic revolution, overcoming all ordeals, including criticism made out of misunderstanding on the part of a number of his comrades, Ho Chi Minh persisted on the national independence path, regarding this as the foremost objective of the revolution.

Also right from the outset, Ho Chi Minh placed the goal of national independence together with the goal of socialism. And here, not only is socialism an upward trend but it has also further enriched and brought new character to the people's national democratic revolution. It is due to this that we achieved the great victories in the wars of resistance against the French and then the Americans.

The end of the people's national democratic revolution and the beginning of the socialist revolution in the entire country helped totally merge the two trends of national independence and socialism. The Vietnamese fatherland and socialism are one. In the socialist revolution, national independence is regarded as a strategic task inseparable from socialism. Furthermore, by unshackling the nation's latent potential, its society, and mankind, socialism brought new momentum and created firm assurance for national independence. As Ho Chi Minh put it "national independence is also a basic stance with which to avoid plagiarism and dogmatism and to find a way, steps, and methods to build socialism in a way that is compatible with the situations in each nation."

Our party, during its process of leading the socialist revolution in our country, has striven to correctly and gradually resolve practical and theoretical issues arising from this. The serious crisis of socialism can in no way cause us to vacillate over our chosen path—a path that has stood the test of time during our half a century of struggle. But the socialism that we persist in realizing and building is not a stereotyped socialism but rather a renovated socialism suitable to the tradition and special features of the Vietnamese nation. It develops all the potentials of the Vietnamese nation and makes full use of all the favorable conditions of today's world. It is a socialism characteristic of Vietnam with basic features built according to the basic guidelines as expounded in the political platform of the seventh party congress.

Persisting on the socialist path, building and defending the socialist Vietnamese fatherland, making the people prosperous and the country powerful, leading the beloved Vietnamese nation to gradually overcome poverty and backwardness, and bringing our Vietnamese nation up to the level of the advanced nations in the world will amount to translating the seventh party congress resolution into reality and to practically celebrating our major national anniversaries this year. All these comprise a practical conclusion drawn from the entire lesson of experiences learned by the Vietnamese revolution over the past half a century with the victory of the August 1945 Revolution and Vietnam's 2 September Declaration of Independence constituting a shining golden landmark.

Australia

Archbishop Hurley Calls for Lifting of Sanctions

MB2808140491 Umtata Capital Radio in English 1300 GMT 28 Aug 91

[Text] A leading South African churchman and long time opponent of apartheid Dennis Hurley has called for the immediate lifting of sanctions against this country.

The Roman Catholic archbishop is visiting Australia at the moment and says sanctions are hampering the rebuilding and reform of South Africa's economy. He says the country needs to start preparing for a new government by creating a better and healthier economy.

He says although ANC [African National Congress] President Nelson Mandela still called for the maintenance of sanctions, other leading members of the organization say sanctions should be reconsidered. Hurley says the economy needs to be revitalized to create a better context for political changes. He believes the process of reform in the country is irreversible.

Hurley is visiting Australia as a guest of Melbourne's archbishop, Sir Frank Little.

Fiji

Missing PRC Diplomat Reportedly Seeking Asylum

BK2808134891 Hong Kong AFP in English 1204 GMT 28 Aug 91

[Text] Suva, Aug 28 (AFP)—A senior Chinese diplomat, missing since Friday, is reportedly seeking asylum in Taiwan, the United States, New Zealand or South Korea, officials said today.

Wu Xiaochun, first secretary at the Chinese Embassy here, was found by police in Nausori, a district about 13 kms (eight miles) from Suva. An international airport is also located in Nausori.

Police said Wu was being kept "in a safe place away from Suva."

A spokesman for the Taiwan trade mission in Suva told the FIJI TIMES newspaper late Wednesday that Wu had sent a statement to them via a third person on Tuesday, written in Chinese and English.

The mission immediately faxed the letter to Taipei but had not received a reply until late Wednesday. Before they could then contact Wu he had been taken away by police, said a Taiwan spokesman.

Goverment sources said Wu was seeking asylum with any one of four countries, Taiwan, New Zealand, the United States or South Korea.

The other embassies could not be contacted last night.

Wu was reported missing Friday after saying he was going to the bank. He did not return. A note of farewell to his ambassador was found in the car.

He was believed to have contacted his embassy after he disappeared Friday. But a Chinese Embassy official said Wednesday that Wu had still not returned to the embassy or been in contact with it.

New Zealand

Government MP Named as Agent in Arms Sales

BK2908053091 Hong Kong AFP in English 0314 GMT 29 Aug 91

[Text] Wellington, Aug 29 (AFP)—A prominent government backbencher, Ross Meurant, confirmed Thursday he had been acting as an agent in the sale of thousands of assault rifles.

The MP [member of parliament], who is a former police officer, confirmed the Herald story Thursday, but said he did not want to discuss his private affairs in public.

The Herald said Meurant was acting for an unnamed British firm which wanted to buy surplus New Zealand army weapons. They include 11,400 self-loading rifles, 3500 M-16s and 1700 submachine guns, which became surplus after New Zealand reequipped its forces with 18,000 Steyr rifles.

Because of a ban on the domestic sale of semi-automatics the military has to sell the weapons internationally.

However, the weapons have yet to be sold and a defence department official said Meurant was one of many who had expressed interest.

Prime Minister Jim Bolger said he had not been aware of Meurant's activities until he read about them Thursday in the New Zealand Herald, adding that he would make no further comment until he had discussed the affair with Meurant.

Meurant also confirmed he was a recruiting agent for African states seeking New Zealand army officers and a middle eastern country wanting air force and Air New Zealand technicians and engineers. He would not name the country but said it was not Iraq.

"There is nothing clandestine about any of the activities I have been involved in," he told the Herald, adding that it would be wrong for anyone to see him as an arms trader.

His contacts with Africa were built up after a commonwealth parliamentary trip in 1989.

"The significant point here is that my contacts are with incumbent bona fide regimes," he said, adding there was no conflict of interest between his private activities and his role as an MP.

Papua New Guinea

Namaliu Restores Death Penalty, Criticizes Law

BK2808120091 Hong Kong AFP in English 0958 GMT 28 Aug 91

[Text] Port Moresby, Aug 28 (AFP)—Papua New Guinea's Parliament voted Wednesday to restore the death penalty for violent crime, with Prime Minister Rabbie Namaliu saying experiments with liberalised Western law had failed.

The motion to restore capital punishment for offences such as murder, rape, and gang rape was approved by 48 votes to 19. The death penalty will not be mandatory, but will be at the discretion of a trial judge.

The law takes effect once it has been published in the Official Gazette, which usually takes two to three weeks.

"We've brought it back because the Parliament believes very strongly that it is one of the best forms of deterrent," Namaliu said.

He told reporters later that "in traditional society, if a person was found to kill somebody else, then the punishment was simple—you'd do to him what he did to that person."

Capital punishment for all crimes except treason was abolished by the unified criminal code adopted on November 1, 1975, six weeks after Papua New Guinea gained its independence from Australia.

"We've adopted rules of law in a Western sense, where we've tried to liberalise forms of punishment including the abolition of the death penalty," Namaliu said.

Justice Minister Bernard Narokobi was among those who voted against capital punishment, saying he was "certain this will create far greater social upheaval and law and order problems than it will solve."

But most MPs accepted the view of former Prime Minister Michael Somare that "our place is going to the dogs."

"Sometimes we have to be prepared to make decisions where we will be unpopular," he told parliament. "Why should a murderer be allowed to live after he has unjustly taken the life of another?"